

1 **RECODIFICATION OF POSTRETIREMENT REEMPLOYMENT**

2 **PROVISIONS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5

6 **LONG TITLE**

7 **General Description:**

8 This bill modifies the Utah State Retirement and Insurance Benefit Act by amending
9 postretirement reemployment provisions.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ recodifies postretirement employment provisions;
- 13 ▶ clarifies amortization rate payments for certain reemployed retirees; and
- 14 ▶ makes technical changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 AMENDS:

- 21 **49-11-102**, as last amended by Laws of Utah 2014, Chapter 15
- 22 **49-11-405**, as last amended by Laws of Utah 2010, Chapter 264
- 23 **49-11-504**, as last amended by Laws of Utah 2013, Chapter 316
- 24 **49-12-401**, as last amended by Laws of Utah 2015, Chapter 256
- 25 **49-12-701**, as last amended by Laws of Utah 2010, Chapter 264
- 26 **49-13-401**, as last amended by Laws of Utah 2015, Chapter 256
- 27 **49-13-701**, as last amended by Laws of Utah 2010, Chapter 264
- 28 **49-14-401**, as last amended by Laws of Utah 2015, Chapter 256
- 29 **49-15-401**, as last amended by Laws of Utah 2015, Chapter 256
- 30 **49-16-203**, as last amended by Laws of Utah 2010, Chapter 264
- 31 **49-16-401**, as last amended by Laws of Utah 2015, Chapter 256

- 32 **49-22-304**, as last amended by Laws of Utah 2015, Chapter 256
- 33 **49-23-303**, as last amended by Laws of Utah 2015, Chapter 256
- 34 **67-19-43**, as last amended by Laws of Utah 2015, Chapter 248

35 ENACTS:

- 36 **49-11-1201**, Utah Code Annotated 1953
- 37 **49-11-1202**, Utah Code Annotated 1953
- 38 **49-11-1203**, Utah Code Annotated 1953
- 39 **49-11-1204**, Utah Code Annotated 1953
- 40 **49-11-1205**, Utah Code Annotated 1953
- 41 **49-11-1206**, Utah Code Annotated 1953
- 42 **49-11-1207**, Utah Code Annotated 1953
- 43 **49-11-1208**, Utah Code Annotated 1953

44 REPEALS:

- 45 **49-11-505**, as last amended by Laws of Utah 2015, Chapters 243 and 256



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

48 Section 1. Section **49-11-102** is amended to read:

49 **49-11-102. Definitions.**

50 As used in this title:

51 (1) (a) "Active member" means a member who:

52 (i) is employed by a participating employer and accruing service credit; or

53 (ii) within the previous 120 days:

54 (A) has been employed by a participating employer; and

55 (B) accrued service credit.

56 (b) "Active member" does not include a retiree.

57 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the
58 basis of mortality tables as recommended by the actuary and adopted by the executive director,
59 including regular interest.

60 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and
61 adopted by the board upon which the funding of system costs and benefits are computed.

62 (4) (a) "Agency" means:

63 (i) a department, division, agency, office, authority, commission, board, institution, or
64 hospital of the state;

65 (ii) a county, municipality, school district, local district, or special service district;

66 (iii) a state college or university; or

67 (iv) any other participating employer.

68 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a
69 subdivision of another entity listed under Subsection (4)(a).

70 (5) "Allowance" or "retirement allowance" means the pension plus the annuity,
71 including any cost of living or other authorized adjustments to the pension and annuity.

72 (6) "Alternate payee" means a member's former spouse or family member eligible to
73 receive payments under a Domestic Relations Order in compliance with Section 49-11-612.

74 (7) "Amortization rate" means the board certified percent of salary required to amortize
75 the unfunded actuarial accrued liability in accordance with policies established by the board
76 upon the advice of the actuary.

77 (8) "Annuity" means monthly payments derived from member contributions.

78 (9) "Appointive officer" means an employee appointed to a position for a definite and
79 fixed term of office by official and duly recorded action of a participating employer whose
80 appointed position is designated in the participating employer's charter, creation document, or
81 similar document, and:

82 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in
83 Section 49-12-407 for a Tier I appointive officer; and

84 (b) whose appointive position is full-time as certified by the participating employer for
85 a Tier II appointive officer.

86 (10) (a) "At-will employee" means a person who is employed by a participating
87 employer and:

88 (i) who is not entitled to merit or civil service protection and is generally considered
89 exempt from a participating employer's merit or career service personnel systems;

90 (ii) whose on-going employment status is entirely at the discretion of the person's
91 employer; or

92 (iii) who may be terminated without cause by a designated supervisor, manager, or
93 director.

94 (b) "At-will employee" does not include a career employee who has obtained a
95 reasonable expectation of continued employment based on inclusion in a participating
96 employer's merit system, civil service protection system, or career service personnel systems,
97 policies, or plans.

98 (11) "Beneficiary" means any person entitled to receive a payment under this title
99 through a relationship with or designated by a member, participant, covered individual, or
100 alternate payee of a defined contribution plan.

101 (12) "Board" means the Utah State Retirement Board established under Section
102 49-11-202.

103 (13) "Board member" means a person serving on the Utah State Retirement Board as
104 established under Section 49-11-202.

105 (14) "Certified contribution rate" means the board certified percent of salary paid on
106 behalf of an active member to the office to maintain the system on a financially and actuarially
107 sound basis.

108 (15) "Contributions" means the total amount paid by the participating employer and the
109 member into a system or to the Utah Governors' and Legislators' Retirement Plan under
110 Chapter 19, Utah Governors' and Legislators' Retirement Act.

111 (16) "Council member" means a person serving on the Membership Council
112 established under Section 49-11-202.

113 (17) "Covered individual" means any individual covered under Chapter 20, Public
114 Employees' Benefit and Insurance Program Act.

115 (18) "Current service" means covered service under:

116 (a) Chapter 12, Public Employees' Contributory Retirement Act;

117 (b) Chapter 13, Public Employees' Noncontributory Retirement Act;

118 (c) Chapter 14, Public Safety Contributory Retirement Act;

119 (d) Chapter 15, Public Safety Noncontributory Retirement Act;

120 (e) Chapter 16, Firefighters' Retirement Act;

121 (f) Chapter 17, Judges' Contributory Retirement Act;

122 (g) Chapter 18, Judges' Noncontributory Retirement Act;

123 (h) Chapter 19, Utah Governors' and Legislators' Retirement Act;

124 (i) Chapter 22, New Public Employees' Tier II Contributory Retirement Act; or

125 (j) Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act.

126 (19) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a
127 system or plan offered under this title to provide a specified allowance to a retiree or a retiree's
128 spouse after retirement that is based on a set formula involving one or more of the following
129 factors:

130 (a) years of service;

131 (b) final average monthly salary; or

132 (c) a retirement multiplier.

133 (20) "Defined contribution" or "defined contribution plan" means any defined
134 contribution plan or deferred compensation plan authorized under the Internal Revenue Code
135 and administered by the board.

136 (21) "Educational institution" means a political subdivision or instrumentality of the
137 state or a combination thereof primarily engaged in educational activities or the administration
138 or servicing of educational activities, including:

139 (a) the State Board of Education and its instrumentalities;

140 (b) any institution of higher education and its branches;

141 (c) any school district and its instrumentalities;

142 (d) any vocational and technical school; and

143 (e) any entity arising out of a consolidation agreement between entities described under
144 this Subsection (21).

145 (22) "Elected official":

146 (a) means a person elected to a state office, county office, municipal office, school
147 board or school district office, local district office, or special service district office;

148 (b) includes a person who is appointed to serve an unexpired term of office described
149 under Subsection (22)(a); and

150 (c) does not include a judge or justice who is subject to a retention election under
151 Section 20A-12-201.

152 (23) (a) "Employer" means any department, educational institution, or political
153 subdivision of the state eligible to participate in a government-sponsored retirement system
154 under federal law.

155 (b) "Employer" may also include an agency financed in whole or in part by public

156 funds.

157 (24) "Exempt employee" means an employee working for a participating employer:

158 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203,
159 49-14-203, 49-15-203, or 49-16-203; and

160 (b) for whom a participating employer is not required to pay contributions or
161 nonelective contributions.

162 (25) "Final average monthly salary" means the amount computed by dividing the
163 compensation received during the final average salary period under each system by the number
164 of months in the final average salary period.

165 (26) "Fund" means any fund created under this title for the purpose of paying benefits
166 or costs of administering a system, plan, or program.

167 (27) (a) "Inactive member" means a member who has not been employed by a
168 participating employer for a period of at least 120 days.

169 (b) "Inactive member" does not include retirees.

170 (28) (a) "Initially entering" means hired, appointed, or elected for the first time, in
171 current service as a member with any participating employer.

172 (b) "Initially entering" does not include a person who has any prior service credit on
173 file with the office.

174 (c) "Initially entering" includes an employee of a participating employer, except for an
175 employee that is not eligible under a system or plan under this title, who:

176 (i) does not have any prior service credit on file with the office;

177 (ii) is covered by a retirement plan other than a retirement plan created under this title;

178 and

179 (iii) moves to a position with a participating employer that is covered by this title.

180 (29) "Institution of higher education" means an institution described in Section
181 53B-1-102.

182 (30) (a) "Member" means a person, except a retiree, with contributions on deposit with
183 a system, the Utah Governors' and Legislators' Retirement Plan under Chapter 19, Utah
184 Governors' and Legislators' Retirement Act, or with a terminated system.

185 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)
186 of the Internal Revenue Code, if the employees have contributions on deposit with the office.

187 If leased employees constitute less than 20% of the participating employer's work force that is
188 not highly compensated within the meaning of Section 414(n)(5)(c)(ii), Internal Revenue Code,
189 "member" does not include leased employees covered by a plan described in Section 414(n)(5)
190 of the federal Internal Revenue Code.

191 (31) "Member contributions" means the sum of the contributions paid to a system or
192 the Utah Governors' and Legislators' Retirement Plan, including refund interest if allowed by a
193 system, and which are made by:

194 (a) the member; and

195 (b) the participating employer on the member's behalf under Section 414(h) of the
196 Internal Revenue Code.

197 (32) "Nonelective contribution" means an amount contributed by a participating
198 employer into a participant's defined contribution account.

199 (33) "Normal cost rate":

200 (a) means the percent of salary that is necessary for a retirement system that is fully
201 funded to maintain its fully funded status; and

202 (b) is determined by the actuary based on the assumed rate of return established by the
203 board.

204 (34) "Office" means the Utah State Retirement Office.

205 (35) "Participant" means an individual with voluntary deferrals or nonelective
206 contributions on deposit with the defined contribution plans administered under this title.

207 (36) "Participating employer" means a participating employer, as defined by Chapter
208 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
209 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
210 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
211 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'
212 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds
213 which is participating in a system or plan as of January 1, 2002.

214 (37) "Part-time appointed board member" means a person:

215 (a) who is appointed to serve as a member of a board, commission, council, committee,
216 or panel of a participating employer; and

217 (b) whose service as a part-time appointed board member does not qualify as a regular

218 full-time employee as defined under Section 49-12-102, 49-13-102, or 49-22-102.

219 (38) "Pension" means monthly payments derived from participating employer
220 contributions.

221 (39) "Plan" means the Utah Governors' and Legislators' Retirement Plan created by
222 Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees' Tier
223 II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution Plan,
224 the New Public Safety and Firefighter Tier II Defined Contribution Plan created by Chapter 23,
225 Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created under
226 Section 49-11-801.

227 (40) (a) "Political subdivision" means any local government entity, including cities,
228 towns, counties, and school districts, but only if the subdivision is a juristic entity that is legally
229 separate and distinct from the state and only if its employees are not by virtue of their
230 relationship to the entity employees of the state.

231 (b) "Political subdivision" includes local districts, special service districts, or
232 authorities created by the Legislature or by local governments, including the office.

233 (c) "Political subdivision" does not include a project entity created under Title 11,
234 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.

235 (41) "Program" means the Public Employees' Insurance Program created under Chapter
236 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'
237 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term
238 Disability Act.

239 (42) "Public funds" means those funds derived, either directly or indirectly, from public
240 taxes or public revenue, dues or contributions paid or donated by the membership of the
241 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,
242 the governmental, educational, and social programs and systems of the state or its political
243 subdivisions.

244 (43) "Qualified defined contribution plan" means a defined contribution plan that
245 meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

246 ~~[(44) (a) "Reemployed," "reemploy," or "reemployment" means work or service
247 performed for a participating employer after retirement, in exchange for compensation.]~~

248 ~~[(b) Reemployment includes work or service performed on a contract for a~~

249 ~~participating employer if the retiree is:~~

250 ~~[(i) listed as the contractor; or]~~

251 ~~[(ii) an owner, partner, or principal of the contractor.]~~

252 ~~[(45)]~~ (44) "Refund interest" means the amount accrued on member contributions at a
253 rate adopted by the board.

254 ~~[(46)]~~ (45) "Retiree" means an individual who has qualified for an allowance under this
255 title.

256 ~~[(47)]~~ (46) "Retirement" means the status of an individual who has become eligible,
257 applies for, and is entitled to receive an allowance under this title.

258 ~~[(48)]~~ (47) "Retirement date" means the date selected by the member on which the
259 member's retirement becomes effective with the office.

260 ~~[(49)]~~ (48) "Retirement related contribution":

261 (a) means any employer payment to any type of retirement plan or program made on
262 behalf of an employee; and

263 (b) does not include Social Security payments or Social Security substitute payments
264 made on behalf of an employee.

265 ~~[(50)]~~ (49) "Service credit" means:

266 (a) the period during which an employee is employed and compensated by a
267 participating employer and meets the eligibility requirements for membership in a system or the
268 Utah Governors' and Legislators' Retirement Plan, provided that any required contributions are
269 paid to the office; and

270 (b) periods of time otherwise purchasable under this title.

271 ~~[(51)]~~ (50) "System" means the individual retirement systems created by Chapter 12,

272 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'

273 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,

274 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'

275 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'

276 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement

277 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part

278 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid

279 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

280 ~~[(52)]~~ (51) "Tier I" means a system or plan under this title for which:

281 (a) an employee is eligible to participate if the employee initially enters regular
282 full-time employment before July 1, 2011; or

283 (b) a governor or legislator who initially enters office before July 1, 2011.

284 ~~[(53)]~~ (52) (a) "Tier II" means a system or plan under this title provided in lieu of a
285 Tier I system or plan for an employee, governor, legislator, or full-time elected official who
286 does not have Tier I service credit in a system or plan under this title:

287 (i) if the employee initially enters regular full-time employment on or after July 1,
288 2011; or

289 (ii) if the governor, legislator, or full-time elected official initially enters office on or
290 after July 1, 2011.

291 (b) "Tier II" includes:

292 (i) the Tier II hybrid system established under:

293 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or

294 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and

295 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:

296 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or

297 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.

298 ~~[(54)]~~ (53) "Unfunded actuarial accrued liability" or "UAAL":

299 (a) is determined by the system's actuary; and

300 (b) means the excess, if any, of the accrued liability of a retirement system over the
301 actuarial value of its assets.

302 ~~[(55)]~~ (54) "Voluntary deferrals" means an amount contributed by a participant into
303 that participant's defined contribution account.

304 Section 2. Section **49-11-405** is amended to read:

305 **49-11-405. Service credit from different systems or plans -- Eligibility and**
306 **calculation of service credit.**

307 (1) (a) A member who has service credit from two or more systems or one or more
308 systems and the Utah Governors' and Legislators' Retirement Plan may combine service credit
309 for purposes of determining eligibility for retirement.

310 (b) The provisions of Subsection (1)(a) do not apply to concurrent service.

311 (2) To be eligible for the calculation under Subsection (3), the member's service credit
 312 earned under the different systems or the Utah Governors' and Legislators' Retirement Plan
 313 shall at least equal the minimum amount of service credit required to retire from the system
 314 which most recently covered the member.

315 (3) If a member meets the requirements of Subsection (2), the office shall calculate the
 316 member's allowance using all service credit earned from any system or the Utah Governors' and
 317 Legislators' Retirement Plan, with no actuarial reduction applied to the allowance, except the
 318 service credit used to calculate the benefit shall be increased or decreased to reflect the value of
 319 the assets transferred.

320 (4) The office shall establish the standards used for calculating any increase or decrease
 321 in the service credit.

322 (5) This section does not apply to a retiree who is subject to ~~[Sections]~~ Section
 323 49-11-504 and ~~[49-11-505]~~ Chapter 11, Part 12, Postretirement Reemployment Restrictions
 324 Act.

325 Section 3. Section **49-11-504** is amended to read:

326 **49-11-504. Reemployment of a retiree -- Restrictions.**

327 (1) As used in this section~~[-];~~:

328 (a) "full-time" means:

329 ~~[(a)]~~ (i) employment requiring 20 or more hours of work per week; or

330 ~~[(b)]~~ (ii) at least a half-time teaching contract.

331 (b) "Reemployed," "reemploy," or "reemployment" means the same as those terms are
 332 defined in Section 49-11-1202.

333 (2) (a) Except for the provisions of Subsection (3), the provisions of this section do not
 334 apply to a person who is subject to the provisions of ~~[Section 49-11-505]~~ Chapter 11, Part 12,
 335 Postretirement Reemployment Restrictions Act.

336 (b) This section does not apply to employment as an elected official.

337 (3) A person who is not a retiree under this title is not subject to any postretirement
 338 restrictions under this title.

339 (4) A retiree of an agency who is reemployed may not earn additional service credit, if
 340 the retiree is reemployed by:

341 (a) a different agency; or

- 342 (b) the same agency after six months from the retirement date.
- 343 (5) A retiree of an agency who is reemployed on a full-time basis by the same agency
344 within six months of the date of retirement is subject to the following:
- 345 (a) the agency shall immediately notify the office;
- 346 (b) the office shall cancel the retiree's allowance and reinstate the retiree to active
347 member status;
- 348 (c) the allowance cancellation and reinstatement to active member status is effective on
349 the first day of the month following the date of reemployment;
- 350 (d) the reinstated retiree may not retire again with a recalculated benefit for a two-year
351 period from the date of cancellation of the original allowance, and if the retiree retires again
352 within the two-year period, the original allowance shall be resumed; and
- 353 (e) a reinstated retiree retiring after the two-year period shall be credited with the
354 service credit in the retiree's account at the time of the first retirement and from that time shall
355 be treated as a member of a system, including the accrual of additional service credit, but
356 subject to recalculation of the allowance under Subsection (9).
- 357 (6) A retiree of an agency who is reemployed by the same agency within six months of
358 retirement on a less than full-time basis by the same agency is subject to the following:
- 359 (a) the retiree may earn, without penalty, compensation from that position which is not
360 in excess of the exempt earnings permitted by Social Security;
- 361 (b) if a retiree receives compensation in a calendar year in excess of the Social Security
362 limitation, 25% of the allowance shall be suspended for the remainder of the six-month period;
- 363 (c) the effective date of a suspension and reinstatement of an allowance shall be set by
364 the office; and
- 365 (d) any suspension of a retiree's allowance under this Subsection (6) shall be applied on
366 a calendar year basis.
- 367 (7) For six months immediately following retirement, the retiree and participating
368 employer who are subject to Subsection (6) shall:
- 369 (a) maintain an accurate record of gross earnings in employment;
- 370 (b) report the gross earnings at least monthly to the office;
- 371 (c) immediately notify the office in writing of any postretirement earnings under
372 Subsection (6); and

373 (d) immediately notify the office in writing whether postretirement earnings equal or
374 exceed the exempt earnings under Subsection (6).

375 (8) (a) If a participating employer hires a retiree, the participating employer may not
376 make a retirement related contribution in an amount that exceeds the normal cost rate as
377 defined under Section 49-11-102 on behalf of the retiree under Subsections (8)(b) and (c).

378 (b) The contributions under Subsection (8)(a) are not required, but if paid, shall be paid
379 to a retiree-designated:

380 (i) qualified defined contribution plan administered by the board, if the participating
381 employer participates in a qualified defined contribution plan administered by the board; or

382 (ii) qualified defined contribution plan offered by the participating employer if the
383 participating employer does not participate in a qualified defined contribution plan
384 administered by the board.

385 (c) Notwithstanding the provisions of Subsection (8)(b), if an employer is not
386 participating in a qualified defined contribution plan administered by the board, the employer
387 may elect to pay the contributions under Subsection (8)(a) to a deferred compensation plan
388 administered by the board.

389 (9) A retiree who has returned to work, accrued additional service credit, and again
390 retires shall have the retiree's allowance recalculated using:

391 (a) the formula in effect at the date of the retiree's original retirement for all service
392 credit accrued prior to that date; and

393 (b) the formula in effect at the date of the subsequent retirement for all service credit
394 accrued between the first and subsequent retirement dates.

395 (10) The board may make rules to implement this section.

396 Section 4. Section **49-11-1201** is enacted to read:

397 **49-11-1201. Title.**

398 This part is known as the "Postretirement Reemployment Restrictions Act."

399 Section 5. Section **49-11-1202** is enacted to read:

400 **49-11-1202. Definitions.**

401 As used in this part:

402 (1) (a) "Affiliated emergency services worker" means a person who:

403 (i) is employed by a participating employer;

404 (ii) performs emergency services for another participating employer that is a different
405 agency;

406 (iii) is trained in techniques and skills required for the emergency service;

407 (iv) continues to receive regular training required for the service;

408 (v) is on the rolls as a trained affiliated emergency services worker of the participating
409 employer; and

410 (vi) provides ongoing service for a participating employer, which service may include
411 service as a volunteer firefighter, reserve law enforcement officer, search and rescue worker,
412 emergency medical technician, ambulance worker, park ranger, or public utilities worker.

413 (b) "Affiliated emergency services worker" does not include a person who performs
414 work or service but does not meet the requirements of Subsection (1)(a).

415 (2) "Amortization rate" means the amortization rate, as defined in Section 49-11-102,
416 to be applied to the system that would have covered the retiree if the retiree's reemployed
417 position were deemed to be an eligible, full-time position within that system.

418 (3) (a) "Reemployed," "reemploy," or "reemployment" means work or service
419 performed for a participating employer after retirement, in exchange for compensation.

420 (b) Reemployment includes work or service performed on a contract for a participating
421 employer if the retiree is:

422 (i) listed as the contractor; or

423 (ii) an owner, partner, or principal of the contractor.

424 (4) "Retiree":

425 (a) means a person who:

426 (i) retired from a participating employer; and

427 (ii) begins reemployment on or after July 1, 2010, with a participating employer; and

428 (b) does not include a person:

429 (i) who was reemployed by a participating employer before July 1, 2010; and

430 (ii) whose participating employer that reemployed the person under Subsection

431 (3)(b)(i) was dissolved, consolidated, merged, or structurally changed in accordance with
432 Section 49-11-621 on or after July 1, 2010.

433 Section 6. Section **49-11-1203** is enacted to read:

434 **49-11-1203. Applicability.**

435 (1) (a) This part does not apply to employment as an elected official if the elected
436 official's position is not full time as certified by the participating employer.

437 (b) The provisions of this part apply to an elected official whose elected position is full
438 time as certified by the participating employer.

439 (2) (a) This part does not apply to employment as a part-time appointed board member
440 who does not receive any remuneration, stipend, or other benefit for the part-time appointed
441 board member's service.

442 (b) For purposes of this Subsection (2), remuneration, stipend, or other benefit does not
443 include receipt of per diem and travel expenses up to the amounts established by the Division
444 of Finance in:

445 (i) Section 63A-3-106;

446 (ii) Section 63A-3-107; and

447 (iii) rules made by the Division of Finance according to Sections 63A-3-106 and
448 63A-3-107.

449 (3) This part does not apply to a person who is reemployed as an active senior judge or
450 an active senior justice court judge as described by Utah State Court Rules, appointed to hear
451 cases by the Utah Supreme Court in accordance with Article VIII, Section 4, Utah Constitution.

452 Section 7. Section **49-11-1204** is enacted to read:

453 **49-11-1204. General Restrictions -- Election following one-year separation --**
454 **Amortization rate.**

455 (1) A retiree may not for the same period of reemployment:

456 (a) (i) earn additional service credit; or

457 (ii) receive any retirement related contribution from a participating employer; and

458 (b) receive a retirement allowance.

459 (2) Except as provided under Section 49-11-1205, the office shall cancel the retirement
460 allowance of a retiree if the reemployment with a participating employer begins within one year
461 of the retiree's retirement date.

462 (3) If a reemployed retiree has completed the one-year separation from employment
463 with a participating employer required under Subsection (2), the retiree may elect to:

464 (a) cancel the retiree's retirement allowance and instead earn additional service credit in
465 accordance with this title; or

466 (b) continue to receive the retiree's retirement allowance, forfeit earning additional
467 service credit, and forfeit any retirement-related contribution from the participating employer
468 that reemployed the retiree.

469 (4) (a) If the office receives notice of the election of a reemployed retiree under
470 Subsection (3)(a), the office shall immediately cancel the retiree's retirement allowance.

471 (b) (i) If the retiree under Subsection (4)(a) is eligible for retirement coverage in the
472 reemployed position, the office shall reinstate the retiree to active member status on the first
473 day of the month following the date of the employee's election.

474 (ii) Except as provided under Subsection (4)(c), if the retiree is not otherwise eligible
475 for retirement coverage in the reemployed position, the participating employer that reemploys
476 the retiree shall contribute the amortization rate to the office on behalf of the retiree.

477 (c) A participating employer that reemploys a retiree in accordance with Subsection
478 49-11-1205(1) is not required to contribute the amortization rate to the office.

479 (5) (a) For a retiree under Subsection (4)(b) who retires within two years from the date
480 of reemployment, the office:

481 (i) may not recalculate a retirement benefit for the retiree; and

482 (ii) shall resume the allowance that was being paid to the retiree at the time of the
483 cancellation.

484 (b) Subject to Subsection (1), for a retiree who is reinstated to active membership
485 under Subsection (4)(b) and retires two or more years after the date of reinstatement to active
486 membership, the office shall:

487 (i) resume the allowance that was being paid at the time of cancellation; and

488 (ii) calculate an additional allowance for the retiree based on the formula in effect at
489 the date of the subsequent retirement for all service credit accrued between the first and
490 subsequent retirement dates.

491 Section 8. Section **49-11-1205** is enacted to read:

492 **49-11-1205. Postretirement reemployment restriction exceptions.**

493 (1) (a) The office may not cancel the retirement allowance of a retiree who is
494 reemployed with a participating employer within one year of the retiree's retirement date if:

495 (i) the retiree is not reemployed by a participating employer for a period of at least 60
496 days from the retiree's retirement date;

497 (ii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree
498 does not receive any employer paid benefits, including:

499 (A) retirement service credit or retirement-related contributions;

500 (B) medical benefits;

501 (C) dental benefits;

502 (D) other insurance benefits except for workers' compensation as provided under Title
503 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease
504 Act, and withholdings required by federal or state law for social security, Medicare, and
505 unemployment insurance; or

506 (E) paid time off, including sick, annual, or other type of leave; and

507 (iii) the retiree does not earn in any calendar year of reemployment an amount in excess
508 of the lesser of \$15,000 or one-half of the retiree's final average salary upon which the retiree's
509 retirement allowance is based.

510 (b) Beginning January 1, 2013, the board shall adjust the amounts under Subsection
511 (1)(a)(iii) by the annual change in the Consumer Price Index during the previous calendar year
512 as measured by a United States Bureau of Labor Statistics Consumer Price Index average as
513 determined by the board.

514 (2) A retiree shall be considered as having completed the one-year separation from
515 employment with a participating employer required under Section 49-11-1204, if the retiree:

516 (a) before retiring:

517 (i) was employed with a participating employer as a public safety service employee as
518 defined in Section 49-14-102, 49-15-102, or 49-23-102;

519 (ii) and during the employment under Subsection (2)(a)(i), suffered a physical injury
520 resulting from external force or violence while performing the duties of the employment, and
521 for which injury the retiree would have been approved for total disability in accordance with
522 the provisions under Chapter 21, Public Employees' Long-Term Disability Act, if years of
523 service are not considered;

524 (iii) had less than 30 years of service credit but had sufficient service credit to retire,
525 with an unreduced allowance making the public safety service employee ineligible for
526 long-term disability payments under Chapter 21, Public Employees' Long-Term Disability Act,
527 or a substantially similar long-term disability program; and

528 (iv) does not receive any long-term disability benefits from any participating employer;
529 and

530 (b) is reemployed by a different participating employer.

531 (3) (a) The office may not cancel the retirement allowance of a retiree who is employed
532 as an affiliated emergency services worker within one year of the retiree's retirement date if the
533 affiliated emergency services worker does not receive any compensation, except for:

534 (i) a nominal fee, stipend, discount, tax credit, voucher, or other fixed sum of money or
535 cash equivalent payment not tied to productivity and paid periodically for services;

536 (ii) a length-of-service award;

537 (iii) insurance policy premiums paid by the participating employer in the event of death
538 of an affiliated emergency services worker or a line-of-duty accidental death or disability; or

539 (iv) reimbursement of expenses incurred in the performance of duties.

540 (b) For purposes of Subsections (3)(a)(i) and (ii), the total amount of any discounts, tax
541 credits, vouchers, and payments to an affiliated emergency services worker may not exceed
542 \$500 per month.

543 (c) Beginning January 1, 2016, the board shall adjust the amount under Subsection
544 (3)(b) by the annual change in the Consumer Price Index during the previous calendar year as
545 measured by a United States Bureau of Labor Statistics Consumer Price Index average as
546 determined by the board.

547 (4) (a) If a retiree is reemployed under the provisions of Subsection (1) or (3), the
548 termination date of the reemployment, as confirmed in writing by the participating employer, is
549 considered the retiree's retirement date for the purpose of calculating the separation
550 requirement under Section 49-11-1204.

551 (b) The office shall cancel the retirement allowance of a retiree for the remainder of the
552 calendar year if the reemployment with a participating employer exceeds the limitation under
553 Subsection (1)(a)(iii) or (3)(b).

554 Section 9. Section **49-11-1206** is enacted to read:

555 **49-11-1206. Notice of postretirement reemployment.**

556 (1) A participating employer shall immediately notify the office:

557 (a) if the participating employer reemploys a retiree;

558 (b) whether the reemployment is subject to Section 49-11-1204 or Subsection

559 49-11-1205(1), (2), or (3); and

560 (c) of any election by the retiree under Section 49-11-1204.

561 (2) A participating employer shall certify to the office whether the position of an
562 elected official is or is not full time.

563 (3) A retiree subject to this part shall report to the office the status of the reemployment
564 under Section 49-11-1204 or 49-11-1205.

565 Section 10. Section **49-11-1207** is enacted to read:

566 **49-11-1207. Postretirement reemployment -- Violations -- Penalties.**

567 (1) (a) If the office receives notice or learns of the reemployment of a retiree in
568 violation of Section 49-11-1204 or 49-11-1205, the office shall:

569 (i) immediately cancel the retiree's retirement allowance;

570 (ii) keep the retiree's retirement allowance cancelled for the remainder of the calendar
571 year if the reemployment with a participating employer exceeded the limitation under
572 Subsection 49-11-1205(1)(a)(iii) or (3)(b); and

573 (iii) recover any overpayment resulting from the violation in accordance with the
574 provisions of Section 49-11-607 before the allowance may be reinstated.

575 (b) Reinstatement of an allowance following cancellation for a violation under this
576 section is subject to the procedures and provisions under Section 49-11-1204.

577 (2) If a retiree or participating employer failed to report reemployment in violation of
578 Section 49-11-1206, the retiree, participating employer, or both, who are found to be
579 responsible for the failure to report, are liable to the office for the amount of any overpayment
580 resulting from the violation.

581 (3) A participating employer is liable to the office for a payment or failure to make a
582 payment in violation of this part.

583 (4) If a participating employer fails to notify the office in accordance with Section
584 49-11-1206, the participating employer is immediately subject to a compliance audit by the
585 office.

586 Section 11. Section **49-11-1208** is enacted to read:

587 **49-11-1208. Rulemaking.**

588 The board may make rules to implement this part.

589 Section 12. Section **49-12-401** is amended to read:

590 **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

591 (1) A member is qualified to receive an allowance from this system when:

592 (a) except as provided under Subsection (3), the member ceases actual work for every
593 participating employer that employs the member before the member's retirement date and
594 provides evidence of the termination;

595 (b) the member has submitted to the office a retirement application form that states the
596 member's proposed retirement date; and

597 (c) one of the following conditions is met as of the member's retirement date:

598 (i) the member has accrued at least four years of service credit and has attained an age
599 of 65 years;

600 (ii) the member has accrued at least 10 years of service credit and has attained an age
601 of 62 years;

602 (iii) the member has accrued at least 20 years of service credit and has attained an age
603 of 60 years; or

604 (iv) the member has accrued at least 30 years of service credit.

605 (2) (a) The member's retirement date:

606 (i) shall be the 1st or the 16th day of the month, as selected by the member;

607 (ii) shall be on or after the date of termination; and

608 (iii) may not be more than 90 days before or after the date the application is received by
609 the office.

610 (b) Except as provided under Subsection (3), a member may not be employed by a
611 participating employer in the system established by this chapter on the retirement date selected
612 under Subsection (2)(a)(i).

613 (3) (a) A member who is employed by a participating employer and who is also an
614 elected official is not required to cease service as an elected official to be qualified to receive
615 an allowance under Subsection (1), unless the member is retiring from service as an elected
616 official.

617 (b) A member who is employed by a participating employer and who is also a part-time
618 appointed board member is not required to cease service as a part-time appointed board
619 member to be qualified to receive an allowance under Subsection (1).

620 (c) A member who is employed by a participating employer, who is also an affiliated

621 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
622 a different agency, is not required to cease service as an affiliated emergency services worker to
623 be qualified to receive an allowance under Subsection (1).

624 Section 13. Section **49-12-701** is amended to read:

625 **49-12-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**
626 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**
627 **reemployment.**

628 (1) Any member of this system may retire and receive the allowance allowed under
629 Subsection (2) if the member meets the following requirements as of the member's retirement
630 date:

631 (a) the member is eligible for retirement under Section 49-12-401, or has 25 years of
632 service credit;

633 (b) the member elects to forfeit any stipend for retirement offered by the participating
634 employer; and

635 (c) the member elects to retire from this system by applying for retirement by the date
636 established under Subsection (3)(a) or (3)(b).

637 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's
638 final average salary for all years of service credit.

639 (b) An actuarial reduction may not be applied to the allowance granted under this
640 section.

641 (3) In order to receive the allowance allowed by this section, a member shall submit an
642 application to the office as follows:

643 (a) (i) For state and school employees under Level A, the application shall be filed by
644 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th
645 day of July, August, or September, 1987.

646 (ii) If a Level A member elects to retire, the executive director or participating
647 employer may request the member to delay the retirement date until a later date, but no later
648 than June 30, 1988.

649 (iii) If the member agrees to delay the retirement date, the retirement date shall be
650 delayed, but service credit may not be accrued after the member's original retirement date
651 elected by the member, and compensation earned after the member's original retirement date

652 may not be used in the calculation of the final average salary for determining the retirement
653 allowance.

654 (b) (i) For political subdivision employees under Level B, the application shall be filed
655 by September 30, 1987.

656 (ii) The retirement date shall then be set by the member on the 1st or 16th day of July,
657 August, September, October, November, or December, 1987.

658 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal
659 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the
660 retirement contribution rate increase established by the consulting actuary and approved by the
661 board.

662 (b) The cost of providing the allowance under this section shall be funded beginning
663 July 1, 1988, by means of an increase in the retirement contribution rate established by the
664 consulting actuary and approved by the board.

665 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

666 (i) for state employees, by an appropriation from the account established by the
667 Division of Finance under Subsection (4)(d), which is funded by savings derived from this
668 early retirement incentive and a work force reduction;

669 (ii) for school employees, by direct contributions from the employing unit, which may
670 not be funded through an increase in the retirement contribution amount established in Title
671 53A, Chapter 17a, Minimum School Program Act; and

672 (iii) for political subdivisions under Level B, by direct contributions by the
673 participating employer.

674 (d) (i) Each year, any excess savings derived from this early retirement incentive which
675 are above the costs of funding the increase and the costs of paying insurance, sick leave,
676 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported
677 to the Legislature and shall be appropriated as provided by law.

678 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an
679 account into which all savings derived from this early retirement incentive shall be deposited as
680 the savings are realized.

681 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the
682 amount of savings derived from this early retirement incentive.

683 (iv) The State Office of Education and the participating employer may not spend the
684 savings until appropriated by the Legislature as provided by law.

685 (5) A member who retires under this section is subject to ~~[Sections]~~ Section 49-11-504
686 and ~~[49-11-505]~~ Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

687 (6) The board may adopt rules to administer this section.

688 (7) The Legislative Auditor General shall perform an audit to ensure compliance with
689 this section.

690 Section 14. Section **49-13-401** is amended to read:

691 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

692 (1) A member is qualified to receive an allowance from this system when:

693 (a) except as provided under Subsection (3), the member ceases actual work for every
694 participating employer that employs the member before the member's retirement date and
695 provides evidence of the termination;

696 (b) the member has submitted to the office a retirement application form that states the
697 member's proposed retirement date; and

698 (c) one of the following conditions is met as of the member's retirement date:

699 (i) the member has accrued at least four years of service credit and has attained an age
700 of 65 years;

701 (ii) the member has accrued at least 10 years of service credit and has attained an age
702 of 62 years;

703 (iii) the member has accrued at least 20 years of service credit and has attained an age
704 of 60 years;

705 (iv) the member has accrued at least 30 years of service credit; or

706 (v) the member has accrued at least 25 years of service credit, in which case the
707 member shall be subject to the reduction under Subsection 49-13-402(2)(b).

708 (2) (a) The member's retirement date:

709 (i) shall be the 1st or the 16th day of the month, as selected by the member;

710 (ii) shall be on or after the date of termination; and

711 (iii) may not be more than 90 days before or after the date the application is received by
712 the office.

713 (b) Except as provided under Subsection (3), a member may not be employed by a

714 participating employer in the system established by this chapter on the retirement date selected
715 under Subsection (2)(a)(i).

716 (3) (a) A member who is employed by a participating employer and who is also an
717 elected official is not required to cease service as an elected official to be qualified to receive
718 an allowance under Subsection (1), unless the member is retiring from service as an elected
719 official.

720 (b) A member who is employed by a participating employer and who is also a part-time
721 appointed board member is not required to cease service as a part-time appointed board
722 member to be qualified to receive an allowance under Subsection (1).

723 (c) A member who is employed by a participating employer, who is also an affiliated
724 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
725 a different agency, is not required to cease service as an affiliated emergency services worker to
726 be qualified to receive an allowance under Subsection (1).

727 Section 15. Section **49-13-701** is amended to read:

728 **49-13-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**
729 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**
730 **reemployment.**

731 (1) Any member of this system may retire and receive the allowance allowed under
732 Subsection (2) if the member meets the following requirements as of the member's retirement:

733 (a) the member is eligible for retirement under Section 49-13-401, or has 25 years of
734 service credit;

735 (b) the member elects to forfeit any stipend for retirement offered by the participating
736 employer; and

737 (c) the member elects to retire from this system by applying for retirement by the date
738 established under Subsection (3)(a) or (3)(b).

739 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's
740 final average salary for all years of service credit.

741 (b) No actuarial reduction may be applied to the allowance granted under this section.

742 (3) In order to receive the allowance allowed by this section, a member shall submit an
743 application to the office as follows:

744 (a) (i) For state and school employees under Level A, the application shall be filed by

745 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th
746 day of July, August, or September, 1987.

747 (ii) If a Level A member elects to retire, the executive director or participating
748 employer may request the member to delay the retirement date until a later date, but no later
749 than June 30, 1988.

750 (iii) If the member agrees to delay the retirement date, the retirement date shall be
751 delayed, but service credit may not be accrued after the member's original retirement date
752 elected by the member, and compensation earned after the member's original retirement date
753 may not be used in the calculation of the final average salary for determining the retirement
754 allowance.

755 (b) (i) For political subdivision employees under Level B, the application shall be filed
756 by September 30, 1987.

757 (ii) The member's retirement date shall then be set by the member on the 1st or 16th
758 day of July, August, September, October, November, or December, 1987.

759 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal
760 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the
761 retirement contribution rate increase established by the consulting actuary and approved by the
762 board.

763 (b) The cost of providing the allowance under this section shall be funded beginning
764 July 1, 1988, by means of an increase in the retirement contribution rate established by the
765 consulting actuary and approved by the board.

766 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

767 (i) for state employees, by an appropriation from the account established by the
768 Division of Finance under Subsection (4)(d), which is funded by savings derived from this
769 early retirement incentive and a work force reduction;

770 (ii) for school employees, by direct contributions from the employing unit, which may
771 not be funded through an increase in the retirement contribution amount established in Title
772 53A, Chapter 17a, Minimum School Program Act; and

773 (iii) for political subdivisions under Level B, by direct contributions by the
774 participating employer.

775 (d) (i) Each year, any excess savings derived from this early retirement incentive which

776 are above the costs of funding the increase and the costs of paying insurance, sick leave,
777 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported
778 to the Legislature and shall be appropriated as provided by law.

779 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an
780 account into which all savings derived from this early retirement incentive shall be deposited as
781 the savings are realized.

782 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the
783 amount of savings derived from this early retirement incentive.

784 (iv) The State Office of Education and the participating employer may not spend the
785 savings until appropriated by the Legislature as provided by law.

786 (5) A member who retires under this section is subject to ~~[Sections]~~ Section 49-11-504
787 and ~~[49-11-505]~~ Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

788 (6) The board may make rules to administer this section.

789 (7) The Legislative Auditor General shall perform an audit to ensure compliance with
790 this section.

791 Section 16. Section ~~49-14-401~~ is amended to read:

792 **49-14-401. Eligibility for service retirement -- Date of retirement --**

793 **Qualifications.**

794 (1) A member is qualified to receive an allowance from this system when:

795 (a) except as provided under Subsection (3), the member ceases actual work for every
796 participating employer that employs the member before the member's retirement date and
797 provides evidence of the termination;

798 (b) the member has submitted to the office a retirement application form that states the
799 member's proposed retirement date; and

800 (c) one of the following conditions is met as of the member's retirement date:

801 (i) the member has accrued at least 20 years of service credit;

802 (ii) the member has accrued at least 10 years of service credit and has attained an age
803 of 60 years; or

804 (iii) the member has accrued at least four years of service credit and has attained an age
805 of 65 years.

806 (2) (a) The member's retirement date:

807 (i) shall be the 1st or the 16th day of the month, as selected by the member;
808 (ii) shall be on or after the date of termination; and
809 (iii) may not be more than 90 days before or after the date the application is received by
810 the office.

811 (b) Except as provided under Subsection (3), a member may not be employed by a
812 participating employer in the system established by this chapter on the retirement date selected
813 under Subsection (2)(a)(i).

814 (3) (a) A member who is employed by a participating employer and who is also an
815 elected official is not required to cease service as an elected official to be qualified to receive
816 an allowance under Subsection (1), unless the member is retiring from service as an elected
817 official.

818 (b) A member who is employed by a participating employer and who is also a part-time
819 appointed board member is not required to cease service as a part-time appointed board
820 member to be qualified to receive an allowance under Subsection (1).

821 (c) A member who is employed by a participating employer, who is also an affiliated
822 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
823 a different agency, is not required to cease service as an affiliated emergency services worker to
824 be qualified to receive an allowance under Subsection (1).

825 Section 17. Section **49-15-401** is amended to read:

826 **49-15-401. Eligibility for service retirement -- Date of retirement --**

827 **Qualifications.**

828 (1) A member is qualified to receive an allowance from this system when:

829 (a) except as provided under Subsection (3), the member ceases actual work for every
830 participating employer that employs the member before the member's retirement date and
831 provides evidence of the termination;

832 (b) the member has submitted to the office a retirement application form that states the
833 member's proposed retirement date; and

834 (c) one of the following conditions is met as of the member's retirement date:

835 (i) the member has accrued at least 20 years of service credit;

836 (ii) the member has accrued at least 10 years of service credit and has attained an age
837 of 60 years; or

838 (iii) the member has accrued at least four years of service and has attained an age of 65
839 years.

840 (2) (a) The member's retirement date:

841 (i) shall be the 1st or the 16th day of the month, as selected by the member;

842 (ii) shall be on or after the date of termination; and

843 (iii) may not be more than 90 days before or after the date the application is received by
844 the office.

845 (b) Except as provided under Subsection (3), a member may not be employed by a
846 participating employer in the system established by this chapter on the retirement date selected
847 under Subsection (2)(a)(i).

848 (3) (a) A member who is employed by a participating employer and who is also an
849 elected official is not required to cease service as an elected official to be qualified to receive
850 an allowance under Subsection (1), unless the member is retiring from service as an elected
851 official.

852 (b) A member who is employed by a participating employer and who is also a part-time
853 appointed board member is not required to cease service as a part-time appointed board
854 member to be qualified to receive an allowance under Subsection (1).

855 (c) A member who is employed by a participating employer, who is also an affiliated
856 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
857 a different agency, is not required to cease service as an affiliated emergency services worker to
858 be qualified to receive an allowance under Subsection (1).

859 Section 18. Section **49-16-203** is amended to read:

860 **49-16-203. Exemption of certain employees from coverage -- Exception.**

861 (1) A firefighter service employee serving as the chief of any fire department or district
862 is excluded from coverage under this system if that firefighter service employee files a formal
863 written request seeking exemption.

864 (2) The chief of any fire department or district who retires from that position shall
865 comply with the provisions of [~~Sections~~] Section 49-11-504 and [~~49-11-505~~] Chapter 11, Part
866 12, Postretirement Reemployment Restrictions Act, upon reemployment by the participating
867 employer.

868 Section 19. Section **49-16-401** is amended to read:

869 **49-16-401. Eligibility for service retirement -- Date of retirement --**

870 **Qualifications.**

871 (1) A member is qualified to receive an allowance from this system when:

872 (a) except as provided under Subsection (3), the member ceases actual work for every
873 participating employer that employs the member before the member's retirement date and
874 provides evidence of the termination;

875 (b) the member has submitted to the office a retirement application form that states the
876 member's proposed retirement date; and

877 (c) one of the following conditions is met as of the member's retirement date:

878 (i) the member has accrued at least 20 years of service credit;

879 (ii) the member has accrued at least 10 years of service credit and has attained an age
880 of 60 years; or

881 (iii) the member has accrued at least four years of service credit and has attained an age
882 of 65 years.

883 (2) (a) The member's retirement date:

884 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service
885 employee;

886 (ii) shall be on or after the date of termination; and

887 (iii) may not be more than 90 days before or after the date the application is received by
888 the office.

889 (b) Except as provided under Subsection (3), a member may not be employed by a
890 participating employer in the system established by this chapter on the retirement date selected
891 under Subsection (2)(a)(i).

892 (3) (a) A member who is employed by a participating employer and who is also an
893 elected official is not required to cease service as an elected official to be qualified to receive
894 an allowance under Subsection (1), unless the member is retiring from service as an elected
895 official.

896 (b) A member who is employed by a participating employer and who is also a part-time
897 appointed board member is not required to cease service as a part-time appointed board
898 member to be qualified to receive an allowance under Subsection (1).

899 (c) A member who is employed by a participating employer, who is also an affiliated

900 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
901 a different agency, is not required to cease service as an affiliated emergency services worker to
902 be qualified to receive an allowance under Subsection (1).

903 Section 20. Section **49-22-304** is amended to read:

904 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**
905 **Qualifications.**

906 (1) A member is qualified to receive an allowance from this system when:

907 (a) except as provided under Subsection (3), the member ceases actual work for every
908 participating employer that employs the member before the member's retirement date and
909 provides evidence of the termination;

910 (b) the member has submitted to the office a retirement application form that states the
911 member's proposed retirement date; and

912 (c) one of the following conditions is met as of the member's retirement date:

913 (i) the member has accrued at least four years of service credit and has attained an age
914 of 65 years;

915 (ii) the member has accrued at least 10 years of service credit and has attained an age
916 of 62 years;

917 (iii) the member has accrued at least 20 years of service credit and has attained an age
918 of 60 years; or

919 (iv) the member has accrued at least 35 years of service credit.

920 (2) (a) The member's retirement date:

921 (i) shall be the 1st or the 16th day of the month, as selected by the member;

922 (ii) shall be on or after the date of termination; and

923 (iii) may not be more than 90 days before or after the date the application is received by
924 the office.

925 (b) Except as provided under Subsection (3), a member may not be employed by a
926 participating employer in the system established by this chapter on the retirement date selected
927 under Subsection (2)(a)(i).

928 (3) (a) A member who is employed by a participating employer and who is also an
929 elected official is not required to cease service as an elected official to be qualified to receive
930 an allowance under Subsection (1), unless the member is retiring from service as an elected

931 official.

932 (b) A member who is employed by a participating employer and who is also a part-time
933 appointed board member is not required to cease service as a part-time appointed board
934 member to be qualified to receive an allowance under Subsection (1).

935 (c) A member who is employed by a participating employer, who is also an affiliated
936 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
937 a different agency, is not required to cease service as an affiliated emergency services worker to
938 be qualified to receive an allowance under Subsection (1).

939 Section 21. Section **49-23-303** is amended to read:

940 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**
941 **Qualifications.**

942 (1) A member is qualified to receive an allowance from this system when:

943 (a) except as provided under Subsection (3), the member ceases actual work for every
944 participating employer that employs the member before the member's retirement date and
945 provides evidence of the termination;

946 (b) the member has submitted to the office a retirement application form that states the
947 member's proposed retirement date; and

948 (c) one of the following conditions is met as of the member's retirement date:

949 (i) the member has accrued at least four years of service credit and has attained an age
950 of 65 years;

951 (ii) the member has accrued at least 10 years of service credit and has attained an age
952 of 62 years;

953 (iii) the member has accrued at least 20 years of service credit and has attained an age
954 of 60 years; or

955 (iv) the member has accrued at least 25 years of service credit.

956 (2) (a) The member's retirement date:

957 (i) shall be the 1st or the 16th day of the month, as selected by the member;

958 (ii) shall be on or after the date of termination; and

959 (iii) may not be more than 90 days before or after the date the application is received by
960 the office.

961 (b) Except as provided under Subsection (3), a member may not be employed by a

962 participating employer in the system established by this chapter on the retirement date selected
 963 under Subsection (2)(a)(i).

964 (3) (a) A member who is employed by a participating employer and who is also an
 965 elected official is not required to cease service as an elected official to be qualified to receive
 966 an allowance under Subsection (1), unless the member is retiring from service as an elected
 967 official.

968 (b) A member who is employed by a participating employer and who is also a part-time
 969 appointed board member is not required to cease service as a part-time appointed board
 970 member to be qualified to receive an allowance under Subsection (1).

971 (c) A member who is employed by a participating employer, who is also an affiliated
 972 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
 973 a different agency, is not required to cease service as an affiliated emergency services worker to
 974 be qualified to receive an allowance under Subsection (1).

975 Section 22. Section ~~67-19-43~~ is amended to read:

976 **67-19-43. State employee matching supplemental defined contribution benefit.**

977 (1) As used in this section:

978 (a) "Qualifying account" means:

979 (i) a defined contribution plan qualified under Section 401(k) of the Internal Revenue
 980 Code, which is sponsored by the Utah State Retirement Board; or

981 (ii) a deemed Individual Retirement Account authorized under the Internal Revenue
 982 Code, which is sponsored by the Utah State Retirement Board; or

983 (iii) a similar savings plan or account authorized under the Internal Revenue Code,
 984 which is sponsored by the Utah State Retirement Board.

985 (b) "Qualifying employee" means an employee who is:

986 (i) in a position that is:

987 (A) receiving retirement benefits under Title 49, Utah State Retirement and Insurance
 988 Benefit Act; and

989 (B) accruing paid leave benefits that can be used in the current and future calendar
 990 years; and

991 (ii) not an employee who is reemployed as that term is:

992 (A) defined in Section [~~49-11-102;~~] 49-11-1202; or

993 (B) used in Section 49-11-504.

994 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,
995 2014, an employer shall make a biweekly matching contribution to every qualifying employee's
996 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject
997 to federal requirements and limitations, which is sponsored by the Utah State Retirement
998 Board.

999 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying
1000 employee shall be eligible to receive the same dollar amount for the contribution under
1001 Subsection (2).

1002 (b) A qualifying employee:

1003 (i) shall receive the contribution amount determined under Subsection (3)(c) if the
1004 qualifying employee makes a voluntary personal contribution to one or more qualifying
1005 accounts in an amount equal to or greater than the employer's contribution amount determined
1006 in Subsection (3)(c);

1007 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's
1008 personal contribution amount if the employee makes a voluntary personal contribution to one
1009 or more qualifying accounts in an amount less than the employer's contribution amount
1010 determined in Subsection (3)(c); or

1011 (iii) may not receive a contribution under Subsection (2) if the qualifying employee
1012 does not make a voluntary personal contribution to a qualifying account.

1013 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall
1014 annually determine the contribution amount that an employer shall provide to each qualifying
1015 employee under Subsection (2).

1016 (ii) The department shall make recommendations annually to the Legislature on the
1017 contribution amount required under Subsection (2), in consultation with the Governor's Office
1018 of Management and Budget and the Division of Finance.

1019 (iii) The biweekly matching contribution amount required under Subsection (2) may
1020 not exceed \$26 for each qualifying employee.

1021 (4) A qualifying employee is eligible to receive the biweekly contribution under this
1022 section for any pay period in which the employee is in a paid status or other status protected by
1023 federal or state law.

1024 (5) The employer and employee contributions made and related earnings under this
1025 section vest immediately upon deposit and can be withdrawn by the employee at any time,
1026 subject to Internal Revenue Code regulations on the withdrawals.

1027 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1028 executive director shall make rules establishing procedures to implement the provisions of this
1029 section.

1030 Section 23. **Repealer.**

1031 This bill repeals:

1032 Section **49-11-505, Reemployment of a retiree -- Restrictions.**