

2012 Retirement Bills Passed¹ by the Utah State Legislature

Prepared by the Office of Legislative Research and General Counsel -- April 2012

H.B. 6 Retirement and Independent Entities Base Budget Modifications *(Rep. D. Ipson)*

This bill appropriates funds for the support and operation of state government for the fiscal year beginning July 1, 2012, and ending June 30, 2013.

This bill:

- ▶ provides appropriations for the use and support of certain state agencies;
- ▶ provides appropriations for other purposes as described; and
- ▶ approves employment levels for internal service funds.
- ▶ approves capital acquisition amounts for internal service funds. Money Appropriated in this Bill: This bill appropriates for fiscal year 2013:
 - ▶ \$3,111,000 from the General Fund;
 - ▶ \$11,474,200 from various sources as detailed in this bill.

H.B. 256 Retirement Modifications *(Rep. D. Ipson)*

This bill:

- ▶ amends definitions;
- ▶ provides that "initially entering" employment includes employees that move from a position not covered under a Utah Retirement System (URS) to a position that is covered;
- ▶ clarifies post-retirement employment provisions for a retiree who returns to work within one year or who elects to earn additional service credit;
- ▶ provides that a domestic relations court order must be received within 12 months of the death of the member;
- ▶ repeals language related to presentment by a policyholder;
- ▶ amends the definition of regular full-time employee to provide that the minimum earnings required for an elective or appointive officer to be eligible for a retirement benefit under the Tier I Public Employees' Systems is based on a monthly rate, not just the first month in office;
- ▶ clarifies that an employer must be a participating employer, whether or not the employer has applied for admission to the system;
- ▶ allows the executive director of the Department of Corrections to be excluded from the Public Safety Contributory Retirement System, the Public Safety Noncontributory Retirement System, and the Tier I Public Safety Noncontributory Retirement System;
- ▶ clarifies that only Tier II governors and legislators and their spouses may be eligible for the governors' and legislative paid-up group health coverage. (This provision was limited by S.B. 156.);
- ▶ clarifies that Tier II firefighters, including volunteer firefighters, are covered under the URS long-term disability program;
- ▶ provides that long-term disability claims must be made within six months, rather than one year, from the employee's date of disability;

- ▶ requires an employee receiving monthly disability benefits to provide certain information and documentation requested by the office;
- ▶ provides that monthly disability benefits are reduced for payments made for sick leave, annual leave, or similar payments;
- ▶ clarifies participation requirements for employers in the Tier II systems;
- ▶ allows certain at-will employees to be exempt from the vesting requirement for the defined contribution plan in the Tier II Public Employees' Retirement System;
- ▶ allows certain public safety service employees to be exempt from the vesting requirement for the defined contribution plan in the New Public Safety and Firefighter Tier II Contributory Retirement System;
- ▶ clarifies who a participating employer must cover under the Tier II Public Safety and Firefighters Systems; and
- ▶ makes technical changes.

H.B. 265 Public Employees' Long-term Disability Act Amendments *(Rep. B. King)*

This bill amends the Public Employees' Long-term Disability Act by clarifying the definition of long-term disability.

H.B. 437 Public Employee Health Care Benefits *(Rep. B. Daw)*

This bill:

- ▶ clarifies that health insurance benefits provided to employees do not constitute a continuing obligation;
- ▶ requires the Public Employee Health Plan to provide training on changing coverages to the high deductible plan with a health savings account, including coordination of benefits with other insurances;
- ▶ requires PEHP to coordinate annual open enrollment with the Department of Human Resource Management;
- ▶ establishes procedures for calculating annual employer contribution amounts for the employer-paid health savings account contributions;
- ▶ requires the state to offer continuing high-deductible health plan coverage under certain circumstances after the employee has exhausted Federal COBRA coverage; and
- ▶ makes technical changes.

H.J.R. 21 Joint Resolution on State Health Insurance *(Rep. B. Dee)*

This resolution directs the Public Employees' Benefit and Insurance Program (PEHP) regarding the medical and dental coverage premium share between employer and employee and other cost issues related to medical and dental plans for state employees.

This resolution:

- ▶ directs PEHP to:
 - maintain for FY 2012-13 the same combined employer/employee premiums for health benefit plan medical coverage from FY 2011-12; and
 - fund trend increases for FY 2012-13 using excess reserves in the state's medical risk pool;

- ▶ directs PEHP and the Department of Human Resource Management to:
 - maintain the state's contribution for health maintenance organization medical coverage based on a 90% employer and 10% employee premium share; and
 - change the state's contribution for dental coverage to be based on a 90% employer and 10% employee premium share;
- ▶ directs PEHP to take additional action to adjust costs to stay within existing revenues;
- ▶ directs PEHP to establish 80% as the standard coinsurance level for medical benefits under the health maintenance organization medical coverage (traditional plan) and the high deductible medical coverage (STAR plan);
- ▶ directs PEHP to establish a second federally qualified high deductible health plan with a 70% coinsurance level for medical benefits; and
- ▶ directs PEHP to develop a program for differentiating premiums, benefits, or both on the basis of health and wellness outcomes.

S.B. 156 Elected Official Retirement Benefits Amendments (Sen. J. Valentine)

This bill amends the State Post-Retirement Benefits Trust Act and the Public Employees' Benefit and Insurance Program Act to eliminate post-retirement health benefits for new legislators and governors and to permit the investment of funds for existing post-retirement health benefits for legislators and governors.

This bill:

- ▶ eliminates the governor and legislator's post-retirement health care benefits for new governors and legislators;
- ▶ establishes the Elected Official Post-Retirement Benefits Trust Fund for the purpose of investing funds for existing governor and legislator post-retirement health care benefits;
- ▶ authorizes the board of trustees for the State Post-Retirement Benefits Trust Fund to serve as trustees for the Elected Official Post-Retirement Benefits Trust Fund; and
- ▶ establishes procedures for the investment of and expenditures from the trust funds.

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¹Except as noted, each bill takes effect on May 8, 2012.