

RETIREMENT AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending retirement eligibility provisions.

Highlighted Provisions:

This bill:

- ▶ defines "part-time appointed board member" to mean a person who is appointed to serve as a member of a board, commission, council, committee, or panel of a participating employer and whose service as a part-time appointed board member does not qualify as a regular full-time employee;
- ▶ provides that a member who is retiring and who is also an elected official does not have to leave the elected office to be eligible to retire unless the member is retiring as an elected official;
- ▶ provides that a member who is retiring and who is also a member of a part-time appointed board does not have to leave the board to be eligible to retire; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 49-11-102**, as last amended by Laws of Utah 2012, Chapter 298
- 49-12-401**, as last amended by Laws of Utah 2011, Chapter 439
- 49-13-401**, as last amended by Laws of Utah 2011, Chapter 439
- 49-14-401**, as last amended by Laws of Utah 2011, Chapter 439
- 49-15-401**, as last amended by Laws of Utah 2011, Chapter 439
- 49-16-401**, as last amended by Laws of Utah 2011, Chapter 439

33 **49-22-304**, as last amended by Laws of Utah 2011, Chapter 439

34 **49-23-303**, as last amended by Laws of Utah 2011, Chapter 439

35

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

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

38 **49-11-102. Definitions.**

39 As used in this title:

40 (1) (a) "Active member" means a member who is employed or who has been employed
41 by a participating employer within the previous 120 days.

42 (b) "Active member" does not include retirees.

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

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

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

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

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

52 (iii) a state college or university; or

53 (iv) any other participating employer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

87 (12) "Board" means the Utah State Retirement Board established under Section
88 49-11-202.

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

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

94 (15) "Contributions" means the total amount paid by the participating employer and

95 the member into a system or to the Utah Governors' and Legislators' Retirement Plan under
96 Chapter 19, Utah Governors' and Legislators' Retirement Act.

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

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

101 (18) "Current service" means covered service as defined in Chapters 12, 13, 14, 15,
102 16, 17, 18, and 19.

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

107 (a) years of service;

108 (b) final average monthly salary; or

109 (c) a retirement multiplier.

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

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

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

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

118 (c) any school district and its instrumentalities;

119 (d) any vocational and technical school; and

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

122 (22) "Elected official":

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

125 (b) includes a person who is appointed to serve an unexpired term of office described

126 under Subsection (22)(a); and

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

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

132 (b) "Employer" may also include an agency financed in whole or in part by public
133 funds.

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

135 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203,
136 49-14-203, 49-15-203, or 49-16-203; and

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

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

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

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

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

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

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

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

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

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

155 and

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

157 (29) (a) "Member" means a person, except a retiree, with contributions on deposit with
158 a system, the Utah Governors' and Legislators' Retirement Plan under Chapter 19, Utah
159 Governors' and Legislators' Retirement Act, or with a terminated system.

160 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)
161 of the Internal Revenue Code, if the employees have contributions on deposit with the office.
162 If leased employees constitute less than 20% of the participating employer's work force that is
163 not highly compensated within the meaning of Section 414(n)(5)(c)(ii), Internal Revenue Code,
164 "member" does not include leased employees covered by a plan described in Section 414(n)(5)
165 of the federal Internal Revenue Code.

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

169 (a) the member; and

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

172 (31) "Nonelective contribution" means an amount contributed by a participating
173 employer into a participant's defined contribution account.

174 (32) "Normal cost rate":

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

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

179 (33) "Office" means the Utah State Retirement Office.

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

182 (35) "Participating employer" means a participating employer, as defined by Chapter
183 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
184 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
185 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
186 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'
187 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds

188 which is participating in a system or plan as of January 1, 2002.

189 (36) "Part-time appointed board member" means a person:

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

192 (b) whose service as a part-time appointed board member does not qualify as a regular
193 full-time employee as defined under Section 49-12-102, 49-13-102, or 49-22-102.

194 ~~(36)~~ (37) "Pension" means monthly payments derived from participating employer
195 contributions.

196 ~~(37)~~ (38) "Plan" means the Utah Governors' and Legislators' Retirement Plan created
197 by Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees'
198 Tier II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution
199 Plan, the New Public Safety and Firefighter Tier II Defined Contribution Plan created by
200 Chapter 23, Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created
201 under Section 49-11-801.

202 ~~(38)~~ (39) (a) "Political subdivision" means any local government entity, including
203 cities, towns, counties, and school districts, but only if the subdivision is a juristic entity that is
204 legally separate and distinct from the state and only if its employees are not by virtue of their
205 relationship to the entity employees of the state.

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

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

210 ~~(39)~~ (40) "Program" means the Public Employees' Insurance Program created under
211 Chapter 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'
212 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term
213 Disability Act.

214 ~~(40)~~ (41) "Public funds" means those funds derived, either directly or indirectly, from
215 public taxes or public revenue, dues or contributions paid or donated by the membership of the
216 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,
217 the governmental, educational, and social programs and systems of the state or its political
218 subdivisions.

219 ~~[(41)]~~ (42) "Qualified defined contribution plan" means a defined contribution plan
220 that meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

221 ~~[(42)]~~ (43) (a) "Reemployed," "reemploy," or "reemployment" means work or service
222 performed after retirement, in exchange for compensation.

223 (b) Reemployment includes work or service performed on a contract if the retiree is:

224 (i) listed as the contractor; or

225 (ii) an owner, partner, or principle of the contractor.

226 ~~[(43)]~~ (44) "Refund interest" means the amount accrued on member contributions at a
227 rate adopted by the board.

228 ~~[(44)]~~ (45) "Retiree" means an individual who has qualified for an allowance under this
229 title.

230 ~~[(45)]~~ (46) "Retirement" means the status of an individual who has become eligible,
231 applies for, and is entitled to receive an allowance under this title.

232 ~~[(46)]~~ (47) "Retirement date" means the date selected by the member on which the
233 member's retirement becomes effective with the office.

234 ~~[(47)]~~ (48) "Retirement related contribution":

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

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

239 ~~[(48)]~~ (49) "Service credit" means:

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

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

245 ~~[(49)]~~ (50) "System" means the individual retirement systems created by Chapter 12,
246 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
247 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
248 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
249 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'

250 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement
 251 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part
 252 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid
 253 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

254 ~~[(50)]~~ (51) "Tier I" means a system or plan under this title for which an employee is
 255 eligible to participate if the employee initially enters regular full-time employment before July
 256 1, 2011.

257 ~~[(51)]~~ (52) (a) "Tier II" means a system or plan under this title provided in lieu of a
 258 Tier I system or plan for which an employee is eligible to participate, if the employee initially
 259 enters regular full-time employment on or after July 1, 2011.

260 (b) "Tier II" includes:

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

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

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

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

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

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

267 ~~[(52)]~~ (53) "Unfunded actuarial accrued liability" or "UAAL":

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

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

271 ~~[(53)]~~ (54) "Voluntary deferrals" means an amount contributed by a participant into
 272 that participant's defined contribution account.

273 Section 2. Section **49-12-401** is amended to read:

274 **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

294 (b) ~~[A]~~ Except as provided under Subsection (3), a member may not be employed by a
295 participating employer in the system established by this chapter on the retirement date selected
296 under Subsection (2)(a)(i).

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

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

304 Section 3. Section **49-13-401** is amended to read:

305 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

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

327 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a
328 participating employer in the system established by this chapter on the retirement date selected
329 under Subsection (2)(a)(i).

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

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

337 Section 4. Section **49-14-401** is amended to read:

338 **49-14-401. Eligibility for service retirement -- Date of retirement --**

339 **Qualifications.**

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

341 (a) except as provided under Subsection (3), the member ceases actual work for every
342 participating employer that employs the member before the member's retirement date and

343 provides evidence of the termination;

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

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

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

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

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

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

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

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

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

357 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a
358 participating employer in the system established by this chapter on the retirement date selected
359 under Subsection (2)(a)(i).

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

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

367 Section 5. Section **49-15-401** is amended to read:

368 **49-15-401. Eligibility for service retirement -- Date of retirement --**

369 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

387 (b) ~~[A]~~ Except as provided under Subsection (3), a member may not be employed by a
388 participating employer in the system established by this chapter on the retirement date selected
389 under Subsection (2)(a)(i).

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

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

397 Section 6. Section **49-16-401** is amended to read:

398 **49-16-401. Eligibility for service retirement -- Date of retirement --**

399 **Qualifications.**

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

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

404 (b) the member has submitted to the office a notarized retirement application form that

405 states the member's proposed retirement date; and

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

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

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

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

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

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

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

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

418 (b) [A] Except as provided under Subsection (3), a member may not be employed by a
419 participating employer in the system established by this chapter on the retirement date selected
420 under Subsection (2)(a)(i).

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

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

428 Section 7. Section **49-22-304** is amended to read:

429 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**
430 **Qualifications.**

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

432 (a) [~~before the member's retirement date~~] except as provided under Subsection (3), the
433 member ceases actual work for every participating employer that employs the member before
434 the member's retirement date and provides evidence of the termination;

435 (b) the member has submitted to the office a notarized retirement application form that

436 states the member's proposed retirement date; and

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

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

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

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

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

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

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

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

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

450 (b) [A] Except as provided under Subsection (3), a member may not be employed by a
451 participating employer in the system established by this chapter on the retirement date selected
452 under Subsection (2)(a)(i).

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

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

460 Section 8. Section **49-23-303** is amended to read:

461 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**

462 **Qualifications.**

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

464 (a) [~~before the member's retirement date~~] except as provided under Subsection (3), the
465 member ceases actual work for every participating employer that employs the member before
466 the member's retirement date and provides evidence of the termination;

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

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

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

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

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

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

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

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

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

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

482 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a
483 participating employer in the system established by this chapter on the retirement date selected
484 under Subsection (2)(a)(i).

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

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