SUPPLEMENTAL SAVINGS PLAN AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies the Utah State Personnel Management Act by amending provisions related to state employee benefits.

Highlighted Provisions:

This bill:

- defines terms;
- allows a state employee to make the matching deposit into a deemed IRA, 401(k) plan, or other similar savings plan in order to qualify for the employee matching deposit under the state employee matching supplemental benefit; and
- makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

67-19-43, as last amended by Laws of Utah 2014, Chapter 15

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

Section 1. Section **67-19-43** is amended to read:

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

(1) As used in this section[~~, "qualifying employee" means an employee who is~~]:

(a) "Qualifying account" means:

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

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

33 (iii) a similar savings plan or account authorized under the Internal Revenue Code,
34 which is sponsored by the Utah State Retirement Board.
35 (b) "Qualifying employee" means an employee who is:
36 [~~(a)~~] (i) in a position that is:
37 [~~(i)~~] (A) receiving retirement benefits under Title 49, Utah State Retirement and
38 Insurance Benefit Act; and
39 [~~(ii)~~] (B) accruing paid leave benefits that can be used in the current and future
40 calendar years; and
41 [~~(b)~~] (ii) not an employee who is reemployed as defined in Section 49-11-102.
42 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,
43 2014, an employer shall make a biweekly matching contribution to every qualifying employee's
44 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject
45 to federal requirements and limitations, which is sponsored by the Utah State Retirement
46 Board.
47 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying
48 employee shall be eligible to receive the same dollar amount for the contribution under
49 Subsection (2).
50 (b) A qualifying employee:
51 (i) shall receive the contribution amount determined under Subsection (3)(c) if the
52 qualifying employee makes a voluntary personal contribution to [~~the defined contribution plan~~
53 ~~account described in Subsection (2)~~] one or more qualifying accounts in an amount equal to or
54 greater than the employer's contribution amount determined in Subsection (3)(c);
55 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's
56 personal contribution amount if the employee makes a voluntary personal contribution to [~~the~~
57 ~~defined contribution plan account described in Subsection (2)~~] one or more qualifying accounts
58 in an amount less than the employer's contribution amount determined in Subsection (3)(c); or
59 (iii) may not receive a contribution under Subsection (2) if the qualifying employee
60 does not make a voluntary personal contribution to [~~the defined contribution plan account~~
61 ~~described in Subsection (2)~~] a qualifying account.
62 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall
63 annually determine the contribution amount that an employer shall provide to each qualifying

64 employee under Subsection (2).
65 (ii) The department shall make recommendations annually to the Legislature on the
66 contribution amount required under Subsection (2), in consultation with the Governor's Office
67 of Management and Budget and the Division of Finance.
68 (iii) The biweekly matching contribution amount required under Subsection (2) may
69 not exceed $26 for each qualifying employee.
70 (4) A qualifying employee is eligible to receive the biweekly contribution under this
71 section for any pay period in which the employee is in a paid status or other status protected by
72 federal or state law.
73 (5) The employer and employee contributions made and related earnings under this
74 section vest immediately upon deposit and can be withdrawn by the employee at any time,
75 subject to Internal Revenue Code regulations on the withdrawals.
76 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
77 executive director shall make rules establishing procedures to implement the provisions of this
78 section.

Legislative Review Note
as of 7-28-14 8:35 AM

Office of Legislative Research and General Counsel