

**STATE AND LOCAL GOVERNMENT  
SEVERANCE PACKAGE AUTHORITY**

1998 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gary F. Cox**

AN ACT RELATING TO PUBLIC OFFICERS; PROVIDING RESTRICTIONS ON  
SEVERANCE PAY TO OFFICERS AND EMPLOYEES OF GOVERNMENTAL ENTITIES.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

**52-5-101**, Utah Code Annotated 1953

**52-5-102**, Utah Code Annotated 1953

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

Section 1. Section **52-5-101** is enacted to read:

**CHAPTER 5. COMPENSATION**

**52-5-101. Definitions.**

As used in this chapter:

(1) "Employee" includes a governmental entity's officers and employees.

(2) "Governmental entity" means:

(a) the entities included in the definition of "governmental entity" under Subsection  
36-21-1(1); and

(b) the Legislature.

(3) (a) "Severance pay" means money or other form of remuneration paid or given to an  
employee at the time of termination of employment with a governmental entity.

(b) "Severance pay" does not include accrued:

(i) vacation pay;

(ii) compensatory pay; or

(iii) sick pay.

1           Section 2. Section **52-5-102** is enacted to read:

2           **52-5-102. Limitation on severance pay.**

3           A governmental entity may not grant severance pay to an employee that exceeds the  
4 amount of the regular salary or wage received by the employee during the employee's last six  
5 months of employment.

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**Legislative Review Note**  
**as of 1-20-98 3:46 PM**

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**