

1 **PUBLIC SAFETY 401(K) CONTRIBUTION**

2 1999 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: DeMar Bud Bowman**

5 AN ACT RELATING TO RETIREMENT; AUTHORIZING EMPLOYER CONTRIBUTIONS
6 TO CERTAIN EMPLOYEES' SUPPLEMENTAL BENEFITS; AND PROVIDING AN
7 EFFECTIVE DATE.

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

9 ENACTS:

10 **49-4a-302**, Utah Code Annotated 1953

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

12 Section 1. Section **49-4a-302** is enacted to read:

13 **49-4a-302. Supplemental benefit established -- Deferred compensation plan --**
14 **Contribution by employer and employee -- Immediate vesting of contributions.**

15 (1) There is established a supplemental deferred compensation benefit for members of this
16 system.

17 (a) (i) For public safety employees of the state and state institutions of higher education,
18 the employer shall contribute on behalf of each of its employees 1.5% of the employee's salary to
19 the deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code which
20 is sponsored by the board.

21 (ii) The employee may also make elective contributions to the qualified 401(k) plan which
22 receives the 1.5% employer contribution described in Subsection (1)(a)(i), but only up to an
23 amount permitted by federal law.

24 (b) (i) For all other members of this system not described under Subsection (1)(a), the
25 participating employer may contribute on behalf of each of its employees any amount to the
26 deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code which
27 is sponsored by the board.

28 (ii) The employee may also make elective contributions to the qualified 401(k) plan which
29 receives the employer contribution described in Subsection (1)(b)(i), but only up to an amount
30 permitted by federal law.

31 (c) The employee may not make elective contributions to any other qualified 401(k) plan
32 sponsored by a state or local government.

33 (2) The total amount contributed by the employer under Subsection (1)(a) or (b) vests to
34 the employee's benefit immediately and is nonforfeitable.

35 Section 2. **Effective date.**

36 This act takes effect on July 1, 1999.

Legislative Review Note

as of 1-22-99 11:37 AM

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

Office of Legislative Research and General Counsel