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PURCHASE OF RETIREMENT CREDIT

AMENDMENTS

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Gene Davis

AN ACT RELATING TO RETIREMENT; AMENDING PURCHASE OF RETIREMENT CREDIT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

49-3-410, as last amended by Chapter 202, Laws of Utah 1996

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

Section 1. Section **49-3-410** is amended to read:

49-3-410. Purchase of retirement credit -- Conditions -- Cost.

(1) Any member of this system may receive retirement service credit in accordance with Subsection (2).

(2) (a) A member may purchase or a member and an employing unit may jointly purchase a combined maximum total of five years of retirement service credit which is not otherwise purchasable under this chapter.

(b) The number of years of retirement service credit purchased may [~~not~~] exceed the number of years **§ OR AGE §** required by the member to retire with no actuarial reduction.

(c) The purchase of retirement service credit must allow the member to meet the retirement eligibility requirements of this system with no actuarial reduction.

(d) The member must retire effective immediately after the purchase of retirement service credit is made.

(e) The member shall pay at least 5% of the cost of the purchase.

(3) The purchase price for the retirement service credit shall be calculated and paid for as provided in Section 49-1-407.

28 (4) (a) The employing unit may elect to purchase retirement service credit for a member
29 under Subsection (2) while the member is on an unpaid leave of absence.

30 (b) If the member is on an unpaid leave of absence, the employing unit may make
31 installment payments towards the purchase in amounts fixed by the administrator.

32 (c) The member shall retire when the purchase obligations are fulfilled.

33 (5) A member who retires after the employer purchases retirement service credit under this
34 section may not be reemployed by the employing unit from which the member retired.

35 (6) Prior to making any purchase of service credit under this section, an employing unit
36 shall adopt a purchase policy that includes nondiscriminatory participation standards for all
37 employees.

38 **Section 2. Effective date.**

39 If approved by two-thirds of all the members elected to each house, this act takes effect
40 upon approval by the governor, or the day following the constitutional time limit of Utah
41 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the
42 date of veto override.

Legislative Review Note
as of 1-29-99 4:18 PM

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

Office of Legislative Research and General Counsel