

RETIREMENT BENEFIT ENHANCEMENT

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard C. Nielson

AN ACT RELATING TO PENSIONS; AUTHORIZING PAYMENT OF AN ADDITIONAL RETIREMENT BENEFIT TO CERTAIN RETIREES; INCREASING THE MINIMUM MONTHLY ALLOWANCE OF CERTAIN RETIREES; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

49-2-602, as last amended by Chapter 181, Laws of Utah 1993

ENACTS:

49-1-617, Utah Code Annotated 1953

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

Section 1. Section **49-1-617** is enacted to read:

49-1-617. Payment of additional retirement benefit -- Rules for implementation.

(1) (a) If the Legislature in an annual appropriations act with accompanying intent language specifically authorizes this use, the board shall provide an additional benefit to retirees under Title 49, Chapters 2, Public Employees' Retirement Act, and 3, Public Employees' Noncontributory Retirement Act, whose retirement allowance, when calculated, amounts to less than the allowance provided by using at least 1.25% per year of service factor for all years of service rendered prior to July 1, 1967.

(b) The benefit provided in Subsection (1)(a) shall be calculated by the board using a formula based upon actuarial assumptions and principles that results in a benefit that is as close as reasonably possible to 1.25% per year of service for each retiree for service rendered prior to July 1, 1967.

(2) Upon receipt of the legislative appropriation and after consultation with representatives of those retirees under Title 49, Chapters 2 and 3, the board shall adopt standards and rules governing the distribution of the money.

Section 2. Section **49-2-602** is amended to read:

49-2-602. Minimum monthly allowance.

No member who retired under this system may receive less than [~~\$8~~] \$9 per month for each year of service credit at the time of retirement. The increased allowance provided by this section may not exceed the allowance payable under Plan I by more than 75%. The cost of providing this benefit shall be assumed within the contribution rate established under Section 49-2-301.

Section 3. **Effective date.**

This act takes effect on July 1, 2000.