

**ANNUAL LEAVE CONVERSION FOR STATE EMPLOYEES**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: James R. Gowans**

**This act enacts code provisions relating to state officer and employee benefits. This act enacts certain provisions regulating conversion of annual leave to a deferred compensation plan.**

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

ENACTS:

**67-19-12.9**, Utah Code Annotated 1953

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

Section 1. Section **67-19-12.9** is enacted to read:

**67-19-12.9. Accumulated annual leave -- Annual conversion to deferred compensation plan.**

(1) The department shall implement a program that allows an employee, in each calendar year, to elect to convert up to 20 hours of annual leave, in whole hour increments not to exceed \$250 in value, into any of the employee's designated deferred compensation accounts that:

(a) are sponsored by the Utah State Retirement Board; and

(b) are qualified under Section 401(k) or Section 457 of the Internal Revenue Code.

(2) Any annual leave converted under Subsection (1) shall be:

(a) converted into the employee's deferred compensation account at the employee's pay rate at the time of conversion; and

(b) calculated in the last pay period of the leave year as determined by the Division of Finance.

(3) An employee may not convert hours of accrued annual leave to the extent that any hours converted would:

(a) exceed the maximum amount authorized by the Internal Revenue Code for each calendar year; or

(b) cause the employee's balance of accumulated annual leave to drop below the maximum

accrual limit provided by rule.