

STATE RETIREMENT FORMULA CHANGES

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: John L. Valentine

This act modifies the Utah State Retirement Act to authorize an additional retirement benefit to certain retirees. This act takes effect on July 1, 2001.

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

AMENDS:

49-1-617, as enacted by Chapter 353, Laws of Utah 2000

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

Section 1. Section **49-1-617** is amended 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]~~ 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]~~

h ~~[(2) (a) If the contribution rates established under Sections 49-2-301 and 49-3-301 are reduced for fiscal year 2002-03, the difference between the rates for fiscal years 2001-02 and 2002-03 shall be used by the board to provide an additional benefit to retirees under Title 49, Chapters 2, Public Employees' Retirement Act, and 3, Public Employees' Noncontributory]~~ h



28 **h [Retirement Act, whose retirement allowance, when calculated, amounts to less than the allowance**
29 **provided by using at least 2% per year of service factor for all years of service:**

30 **—— (b) The benefit provided in Subsection (2)(a) shall be calculated by the board using a**
31 **formula based upon actuarial assumptions and principles that results in a benefit that is as close**
32 **as reasonably possible to 2% per year of service for each retiree, based upon available funding**
33 **from the contribution rate reduction.]**

34 **[~~(3)~~] (2) h** After consultation with representatives of those retirees under Title 49, Chapters 2
34a and
35 3, the board shall adopt standards and rules governing the distribution of ~~[the money]~~ any
36 additional retirement benefit under this section.

37 Section 2. **Effective date.**

38 This act takes effect on July 1, 2001.

Legislative Review Note
as of 12-5-00 8:23 AM

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

Office of Legislative Research and General Counsel