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PUBLIC SAFETY RETIREMENT AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Mike Dmitrich

This act modifies the Utah State Retirement Act to increase the cost-of-living allowance for members of the public safety retirement systems. This act takes effect on July 1, 2001.

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

AMENDS:

49-4-601, as last amended by Chapter 31, Laws of Utah 1997

49-4a-601, as enacted by Chapter 260, Laws of Utah 1989

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

Section 1. Section **49-4-601** is amended to read:

49-4-601. Annual cost-of-living adjustment.

(1) The retirement office shall compute and pay, upon approval by the board, an annual cost-of-living adjustment to all retired members after the members have been retired one year. The adjustment shall be equal to the decrease in the purchasing power of the dollar during the preceding year, as measured by the Consumer Price Index, U.S. City Average, prepared by the United States Bureau of Labor Statistics, and shall be limited to a maximum of [~~2.5%~~] 4% of the retirant's or beneficiary's retirement allowance at the time of retirement. Decreases in the purchasing power of the dollar exceeding [~~2.5%~~] 4% annually shall be accumulated and used in subsequent allowances when the cost-of-living adjustment is less than [~~2.5%~~] 4%.

(2) The cost-of-living adjustment shall be reduced if the index shows a decline of 4% or more during any period of more than one year. These reductions may not exceed 2% per year based upon the original retirement allowance. Payments made under this section shall be a part of the retired member's allowance. Payments and adjustments for the retirant shall also apply to the beneficiary.

Section 2. Section **49-4a-601** is amended to read:

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28 **49-4a-601. Annual cost-of-living adjustment.**

29 (1) The retirement office shall compute and pay, upon approval by the board, an annual
30 cost-of-living adjustment to all retired members after the members have been retired one year. The
31 adjustment shall be equal to the decrease in the purchasing power of the dollar during the
32 preceding year, as measured by the Consumer Price Index, U.S. City Average, prepared by the
33 United States Bureau of Labor Statistics, and shall be limited to a maximum of [~~2.5%~~] 4% of the
34 retirant's or beneficiary's retirement allowance at the time of retirement. Decreases in the
35 purchasing power of the dollar exceeding [~~2.5%~~] 4% annually shall be accumulated and used in
36 subsequent allowances when the cost-of-living adjustment is less than [~~2.5%~~] 4%.

37 (2) The cost-of-living adjustment shall be reduced if the index shows a decline of 4% or
38 more during any period of more than one year. These reductions may not exceed 2% per year
39 based upon the original retirement allowance. Payments made under this section shall be a part
40 of the retired member's allowance. Payments and adjustments for the retirant shall also apply to
41 the beneficiary.

42 Section 3. **Effective date.**

43 This act takes effect on July 1, 2001.

Legislative Review Note
as of 12-5-00 8:22 AM

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

Office of Legislative Research and General Counsel