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FIREFIGHTER RETIREMENT AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Gene Davis

This act modifies the Retirement Code by creating a deferred compensation benefit for members of the firefighters' retirement system. This act takes effect on July 1, 2001.

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

ENACTS:

49-5-303, Utah Code Annotated 1953

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

Section 1. Section **49-5-303** is enacted to read:

49-5-303. Supplemental benefit established -- Deferred compensation plan options -- Contribution by employer and employee -- Immediate vesting of contributions -- Plans to be separate -- Tax-qualified status of plans.

(1) There is established a supplemental deferred compensation benefit for members of this system.

(a) (i) For members of Division A under Section 49-5-301, the member or employer shall contribute on behalf of the member the difference between 10.2% and the contribution rate established under Section 49-5-301 to a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code that is sponsored by the board.

(ii) If the contribution rate established under Section 49-5-301 is greater than 10.2%, a 401(k) contribution is not required under Subsection (1)(a)(i).

(iii) The member may also make elective contributions to the same qualified 401(k) plan which receives the contribution described in Subsection (1)(a)(i), but only up to an amount permitted by federal law.

(b) (i) For members of Division B under Section 49-3-301, the member or employer shall contribute on behalf of the member the difference between 15.5% and the contribution rate

28 established under Section 49-5-301 to a deferred compensation plan qualified under Section 401(k)
29 of the Internal Revenue Code that is sponsored by the board.

30 (ii) If the contribution rate established under Section 49-5-301 is greater than 15.5%, a
31 401(k) contribution is not required under Subsection (1)(a)(i).

32 (iii) The member may also contribute to the same qualified 401(k) plan which receives the
33 contribution described in Subsection (1)(b)(i), but only up to an amount permitted by federal law.

34 (c) The member may not make elective contributions to any other qualified 401(k) plan
35 sponsored by a state or local government.

36 (2) The total amount contributed under Subsection (1)(a) or (b) vests to the member's
37 benefit immediately and is nonforfeitable.

38 **Section 2. Effective date.**

39 This act takes effect on July 1, 2001.

Legislative Review Note
as of 1-18-01 2:54 PM

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

Office of Legislative Research and General Counsel