

STATE RETIREMENT SYSTEM AMENDMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Brad King

LONG TITLE

General Description:

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending purchase of certain service credit provisions.

Highlighted Provisions:

This bill:

- ▶ allows an option for the purchase of up to five years of service credit for members in the Public Employees' Contributory Retirement System;
- ▶ requires a minimum years of service credit purchase sufficient to allow the member to retire;
- ▶ requires the member to retire immediately after the purchase of service credit;
- ▶ provides that the service credit may be jointly purchased by the member who must pay at least 5% of the cost and the participating employer; and
- ▶ provides for certain eligibility requirements, purchase price for years of service, and a nondiscriminatory purchase policy adopted by the participating employer.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

49-12-409, Utah Code Annotated 1953

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

Section 1. Section **49-12-409** is enacted to read:

49-12-409. Purchase of service credit -- Conditions -- Cost -- Nondiscrimination policy.

(1) (a) A member may purchase or a member and a participating employer may jointly purchase a maximum of five years of service credit which cannot otherwise be purchased under this title.

(b) At a minimum, the years of service credit purchased shall be sufficient to allow the member to meet the retirement eligibility requirements of this system with no actuarial reduction.

(c) The member's retirement date shall be immediately after the purchase of years of service credit.

(d) The member shall pay at least 5% of the cost of the purchase.

(e) To qualify for a purchase of service credit under this section, the member shall:

(i) have at least five years of service credit; and

(ii) otherwise meet federal eligibility requirements.

(2) The purchase price for the years of service credit shall be calculated and paid for as provided in Section 49-11-403.

(3) Prior to making any purchase of years of service credit under this section, a participating employer shall adopt a purchase policy that includes nondiscriminatory participation standards for all regular full-time employees.