

1 **PARTIAL LUMP-SUM RETIREMENT PAYMENT**

2 **OPTION**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: David Clark**

6 Senate Sponsor: Beverly Ann Evans

7

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Utah State Retirement and Insurance Benefit Act by allowing
11 certain lump-sum payments of a portion of a member's retirement benefits.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ allows a member of a Utah State Retirement System to elect to receive either 12 or
- 15 24 months of the member's retirement allowance in a lump-sum payment upon
- 16 retirement;
- 17 ▶ provides for an actuarial reduction of the members allowance to reflect the
- 18 lump-sum payment;
- 19 ▶ prohibits more than one lump-sum payment per member; and
- 20 ▶ allows the Retirement Board to make rules to implement the provisions of the bill.

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **49-11-1001**, Utah Code Annotated 1953



28

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

30 Section 1. Section **49-11-1001** is enacted to read:

31 **Part 10. Partial Lump-Sum Payments**

32 **49-11-1001. Partial lump-sum payment option.**

33 (1) At the time of application for retirement, a member may elect to receive a
34 lump-sum payment of a portion of the member's retirement allowance equal to 12 or 24 months
35 of the member's allowance to be paid upon retirement.

36 (2) The member's allowance shall be reduced to reflect the actuarial value of the
37 lump-sum received under Subsection (1).

38 (3) A member who has received a lump-sum payment under this section is not eligible
39 for another lump-sum payment under this section.

40 (4) The board may make rules to implement this section.

Legislative Review Note
as of 10-6-05 11:09 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel