

1                                   **STATE PUBLIC SAFETY RETIREMENT**

2                                   **CONVERSION WINDOW**

3                                   2006 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Merlynn T. Newbold**

6                                   Senate Sponsor: \_\_\_\_\_

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8   **LONG TITLE**

9   **General Description:**

10           This bill modifies the Utah State Retirement and Insurance Benefit Act by providing a  
11 conversion window between the Public Safety Contributory Retirement System and the  
12 Public Safety Noncontributory Retirement System.

13   **Highlighted Provisions:**

14           This bill:

15           ▶ provides a conversion window between the Public Safety Contributory Retirement  
16 System and the Public Safety Noncontributory Retirement System.

17   **Monies Appropriated in this Bill:**

18           None

19   **Other Special Clauses:**

20           This bill takes effect on July 1, 2006.

21   **Utah Code Sections Affected:**

22   AMENDS:

23           **49-15-204**, as last amended by Chapter 247 and renumbered and amended by Chapter  
24 250, Laws of Utah 2002

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

27           Section 1. Section **49-15-204** is amended to read:



28           **49-15-204. Conversion to system -- Time schedule.**

29           The following laws govern conversion to the Public Safety Noncontributory Retirement  
30 System:

31           (1) For an employee governed by Subsection 49-15-201(1)(a), the election to  
32 participate in this system shall be made within six months of July 1, 1989.

33           (2) (a) (i) For an employer governed by Subsection 49-15-201(2)(a), the election to  
34 participate in this system shall be made within six months of July 1, 1989.

35           (ii) The employer shall indicate whether or not it elects to participate by enacting a  
36 resolution or ordinance to that effect.

37           (iii) Prior to the enactment of the resolution or ordinance, a hearing shall be held by the  
38 employer, at which all public safety service employees of the employer shall be given an  
39 opportunity to be heard on the question of participating in this system.

40           (iv) Notice of the hearing shall be mailed to all public safety service employees within  
41 30 days of the hearing and shall contain the time, place, and purpose of the hearing.

42           (b) A public safety service employee of an employer, prior to its election to participate,  
43 has six months from the date the employer elects to participate in which to elect to become  
44 eligible for service credit in this system.

45           (3) (a) Subsections (1) and (2) shall be used to provide a time period of conversion to  
46 the Public Safety Noncontributory Retirement System beginning July 1, 1998, and ending  
47 December 31, 1998.

48           (b) A person converting to the system during this time period is subject to all the rights,  
49 limitations, terms, and conditions of Chapter 15, Public Safety Noncontributory Retirement  
50 Act.

51           (4) Subsections (1) and (2) shall be used to provide a time period for an appointed  
52 chief of police to convert to the Public Safety Noncontributory Retirement System beginning  
53 July 1, 2002, and ending December 31, 2002. A chief of police converting to the system  
54 during this time period shall be subject to all the rights, limitations, terms, and conditions of  
55 Title 49, Chapter 15, Public Safety Noncontributory Retirement Act, including an employer's  
56 election under Subsection (2).

57           (5) (a) Subsections (1) and (2) shall be used to provide a time period of conversion to  
58 the Public Safety Noncontributory Retirement System beginning July 1, 2006, and ending

59 December 31, 2006.

60 (b) A person converting to the system during this time period is subject to all the rights,  
61 limitations, terms, and conditions of Chapter 15, Public Safety Noncontributory Retirement  
62 Act.

63 Section 2. **Effective date.**

64 This bill takes effect on July 1, 2006.

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**Legislative Review Note**  
**as of 1-24-06 2:04 PM**

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**

**State Impact**

Passage of this bill will cause retirement contribution rates (as a percentage of salary) to decrease 100 basis points (1 percent) for all current State employees covered under the Public Safety Contributory Retirement System who transfer to the Public Safety Noncontributory System. This decrease will result in a minimal cost savings to the State (which currently funds the entire contribution) that is dependent on the number of employees who opt to transfer.

The bill would also affect local governments and other entities whose employees are covered by the Public Safety Retirement Systems. Total retirement contribution rates will decrease between 26 and 92 basis points for those employees who opt to transfer to the Noncontributory System. The entire impact on these employers, however, will depend on the portion of retirement contributions they currently fund for the Contributory Plan (the Noncontributory Plan requires the employer to fund 100% of the contribution) and the number of employees who opt to transfer to the Noncontributory plan.

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**Individual and Business Impact**

Individuals currently on the Contributory System may receive a higher retirement benefit if they transfer to the Noncontributory System.

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