

HB0133S01 compared with HB0133

~~{deleted text}~~ shows text that was in HB0133 but was deleted in HB0133S01.

inserted text shows text that was not in HB0133 but was inserted into HB0133S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Representative John Dougall proposes the following substitute bill:

EMPLOYEE COMPENSATION AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Utah State Personnel Management Act by amending provisions related to employee leave programs.

Highlighted Provisions:

This bill:

- ▶ ~~{provides definitions;~~
- ▶ ~~discontinues accrual of sick leave for state employees beginning June 25, 2011;~~
- ▶ ~~discontinues accrual of new converted sick leave hours for state employees;~~
- ▶ ~~discontinues accrual of new unused sick leave hours after June 24, 2011, under the~~ discontinues Unused Sick Leave Retirement ~~{Program H;~~
- ▶ ~~requires a state agency to offer annual leave to an employee who is eligible to receive paid leave beginning June 25, 2011;~~

HB0133S01 compared with HB0133

- requires a state agency to allow an employee to use unused annual leave hours and sick leave hours accrued before June 25, 2011, in accordance with the rules in effect on January 1, 2011; Option II for state employees initially employed after July 1, 2011;
- ▶ requires the Division of Finance to:
 - recognize the full expense and liability for ~~the~~ annual leave and sick leave; and
 - establish accounts to accumulate assets to cover the liability;
 - ▶ provides legislative intent language that ~~any reduction of benefits under the bill will be offset with commensurate salary increases;~~ a state agency allow an employee to cash out excess sick leave and excess annual leave; and
 - ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

67-19-14.1, as last amended by Laws of Utah 2005, Chapter 15

67-19-14.2, as last amended by Laws of Utah 2010, Chapter 249

67-19-14.4, as last amended by Laws of Utah 2007, Chapter 130

ENACTS:

67-19-14.6, Utah Code Annotated 1953

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. Section **67-19-14.1** is amended to read:

67-19-14.1. Converted sick leave.

(1) Until January 1, ~~2014~~ ~~2011~~, an employee who has 144 hours of accumulated unused sick leave immediately prior to the beginning of a calendar year, may elect to convert any unused sick leave hours accumulated during that calendar year, in excess of 64 hours, to

HB0133S01 compared with HB0133

converted sick leave.

(2) The conversion is made at the beginning of the next calendar year for unused sick leave hours earned during a calendar year under Subsection (1).

(3) Converted sick leave hours [~~:(a) are not subject to the reduction provided under Subsection 67-19-14.2(4)(a)(ii); (b)~~] that are not used prior to an employee's retirement date shall be used under the:

~~[(i)]~~ (a) Unused Sick Leave Retirement Option Program I under Section 67-19-14.2 if earned prior to January 1, 2006, unless the transfer is made under Subsection 67-19-14.4(1)(c); or

~~[(ii)]~~ (b) Unused Sick Leave Retirement Option Program II under Section 67-19-14.4 if earned;

~~(i)~~ on or after January 1, 2006~~[:]; and~~

~~(ii)~~ by an employee employed by an agency before ~~June 25~~ July 1, 2011.

Section 2. Section **67-19-14.2** is amended to read:

67-19-14.2. Unused Sick Leave Retirement Option Program -- Creation -- Payout upon eligibility for allowance -- Continuing medical and life insurance benefits after retirement.

(1) (a) There is created the "Unused Sick Leave Retirement Option Program I."

(b) An agency may offer the Unused Sick Leave Retirement Option Program I to an employee who is eligible to receive a retirement allowance in accordance with Title 49, Utah State Retirement and Insurance Benefit Act.

(2) The Unused Sick Leave Retirement Option Program I provides that upon becoming eligible to receive a retirement allowance an employee who was employed by the state prior to January 1, 2006:

(a) receives a contribution under Subsection (3) for 25% of the employee's unused accumulated sick leave accrued prior to January 1, 2006, at the employee's rate of pay at the time of retirement; and

~~[(b) receives continuing medical and life insurance benefits until the earlier of:]~~

~~[(i) the date the employee reaches the age eligible for Medicare; or]~~

~~[(ii) up to the following number of years:]~~

~~[(A) five years if the employee retires during calendar year 2006;]~~

HB0133S01 compared with HB0133

~~[(B) four years if the employee retires during calendar year 2007;]~~

~~[(C) three years if the employee retires during calendar year 2008;]~~

~~[(D) two years if the employee retires during calendar year 2009;]~~

~~[(E) one year if the employee retires during calendar year 2010; or]~~

~~[(F) zero years if the employee retires after calendar year 2010; and]~~

~~[(e)]~~ (b) may purchase additional continuing medical and life insurance benefits in accordance with Subsection (4).

(3) (a) Subject to federal requirements and limitations, the contribution under Subsection (2)(a) shall be transferred directly to the employee's defined contribution plan qualified under Section 401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board.

(b) If the amount calculated under Subsection (2)(a) exceeds the federal contribution limitations, the employee's unused accumulated sick leave hours representing the excess shall be used for the purchase of continuing medical and life insurance benefits under Subsection (4).

(4) (a) An employee may purchase continuing medical and life insurance benefits, at the rate of one month's coverage per policy for eight hours of unused sick leave remaining after~~[(i)]~~ the contribution of unused sick leave under Subsection (2)(a)~~[-and]~~.

~~[(ii) an additional reduction, at the time of retirement, of unused sick leave hours as follows:]~~

~~[(A) 480 hours if the employee retires during calendar year 2006;]~~

~~[(B) 384 hours if the employee retires during calendar year 2007;]~~

~~[(C) 288 hours if the employee retires during calendar year 2008;]~~

~~[(D) 192 hours if the employee retires during calendar year 2009;]~~

~~[(E) 96 hours if the employee retires during calendar year 2010; or]~~

~~[(F) 0 hours if the employee retires after calendar year 2010.]~~

(b) The medical coverage level for member, two person, or family coverage that is provided to the member at the time of retirement is the maximum coverage level available to the member under this program.

(c) The purchase of continuing medical and life insurance benefits at the rate provided under Subsection (4)(a) may be used by the employee to extend coverage:

HB0133S01 compared with HB0133

(i) [~~beyond the number of years provided under Subsection (2)] until the employee reaches the age of eligibility for Medicare; or~~

(ii) if the employee has reached the age of eligibility for Medicare, continuing medical benefits for the employee's spouse may be purchased until the employee's spouse reaches the age of eligibility for Medicare.

(d) An employee and the employee's spouse who are or who later become eligible for Medicare may purchase Medicare supplemental insurance at the rate of one month's coverage for eight hours of the employee's unused sick leave per person.

(5) (a) The continuing medical and life insurance benefits [~~received under Subsection (2)(b) or~~] purchased by an employee under Subsection (4):

(i) may not be suspended or deferred for future use; and

(ii) continues in effect until exhausted.

(b) An employer participating in the Program I benefits under this section may not provide medical or life insurance benefits to a person who is:

(i) reemployed after retirement; and

(ii) receiving benefits under this section.

Section 3. Section **67-19-14.4** is amended to read:

67-19-14.4. Unused Sick Leave Retirement Program II -- Creation --

Remuneration upon eligibility for allowance -- Medical expense account after retirement.

(1) (a) There is created the "Unused Sick Leave Retirement Program II."

(b) An agency shall offer the Unused Sick Leave Retirement Option Program II to an employee who is eligible to receive a retirement allowance in accordance with Title 49, Utah State Retirement and Insurance Benefit Act.

(c) [~~Beginning January 1, 2011, an~~] An employee who is participating in the Unused Sick Leave Retirement Program I under Section 67-19-14.2 may make a one-time and irrevocable election to transfer all unused sick leave hours which shall include all converted sick leave hours under Section 67-19-14.1 for use under the Unused Sick Leave Retirement Program II under this section.

(2) (a) The Unused Sick Leave Retirement Program II provides that upon becoming eligible to receive a retirement allowance an employee who is employed by the state on or after January 1, 2006, but before ~~June 25~~ July 1, 2011, shall receive remuneration for the

HB0133S01 compared with HB0133

employee's unused accumulated sick leave and converted sick leave accrued beginning January 1, 2006 ~~{, and ending June 24, 2011,}~~ in accordance with this section as follows:

(i) subject to federal requirements and limitations, a contribution at the employee's rate of pay at the time of retirement for 25% of the employee's unused accumulated sick leave and converted sick leave shall be transferred directly to the employee's defined contribution plan qualified under Section 401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board; and

(ii) participation in a benefit plan that provides for reimbursement for medical expenses using money deposited at the employee's rate of pay at the time of retirement from remaining unused accumulated sick leave and converted sick leave balances.

(b) If the amount calculated under Subsection (2)(a)(i) exceeds the federal contribution limitations, the amount representing the excess shall be deposited under Subsection (2)(a)(ii).

(c) An employee's rate of pay at the time of retirement for purposes of Subsection (2)(a)(ii) may not be less than the average rate of pay of state employees who retired in the same retirement system under Title 49, Utah State Retirement and Insurance Benefit Act, during the previous calendar year.

(3) The Utah State Retirement Office shall develop and maintain a program to provide a benefit plan that provides for reimbursement for medical expenses under Subsection (2)(a)(ii) with:

- (a) money deposited under Subsection (2)(a)(ii); and
- (b) accrued earnings.

~~(4) This section does not apply to an employee initially employed by an agency on or after July 1, 2011.~~

Section 4. Section ~~67-19-14.6~~ is enacted to read:

~~67-19-14.6. { Annual} Accumulated paid leave { -- Definition -- Previously accrued hours} -- Recognition of {liability}.~~

~~—— (1) (a) As used in this section, "annual leave" means leave hours an employee is provided as time off from work for personal use and sick leave without affecting the employee's pay.~~

~~—— (b) "Annual leave" does not include:~~

~~—— (i) legal holidays under Section 63G-1-301;~~

HB0133S01 compared with HB0133

~~—— (ii) time off as compensation for actual time worked in excess of an employee's defined work period;~~

~~—— (iii) paid or unpaid administrative leave; or~~

~~—— (iv) other paid or unpaid time off from work provided by:~~

~~—— (A) state statute or administrative rule; or~~

~~—— (B) federal law or regulation.~~

~~—— (2) Beginning June 25, 2011, an agency shall offer annual leave to an employee who is eligible to receive paid leave:~~

~~—— (3) An agency shall allow an employee who has accrued annual leave or sick leave before June 25, 2011, to use the annual leave and sick leave under the same rules that applied to the annual leave or sick leave on January 1, 2011.~~

~~—— (4) For annual leave accumulated beginning June 25, 2011, the} **Liability.**~~

~~The~~ Division of Finance shall:

~~(a)1) recognize,} at the end of each fiscal year, **recognize** the full expense and liability for ~~the annual;} **accumulated paid** leave, **of any kind, earned by an employee;**~~~~

~~(b)2) establish separate accounts as necessary for accumulating assets to cover the full expense and liability ~~recognized under Subsection (4)(a)} **for accumulated paid leave;** and~~~~

~~(c)3) invest **the** assets **accumulated** in the separate accounts **under Subsection (2)** in the Public Treasurer's Investment Fund, with ~~the;} earnings credited to the accounts.~~~~

Section 5. Legislative intent.

~~It is the intent of the Legislature that ~~any reduction of benefits to an affected state employee as result of this bill, be compensated by a commensurate increase in the affected state employee's annual salary.~~~~

Legislative Review Note

~~—— as of 2-11-11 8:37 AM~~

~~Office of Legislative Research and General Counsel;} **an agency shall provide a mechanism**~~

HB0133S01 compared with HB0133

for an employee to cash out excess sick leave and excess annual leave at least once each fiscal year.