

1 **UTAH RETIREMENT AMENDMENTS**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Todd Weiler**

5 House Sponsor: _____

7 **LONG TITLE**

8 **Committee Note:**

9 The Retirement and Independent Entities Interim Committee recommended this bill.

10 **General Description:**

11 This bill modifies the Utah State Retirement and Insurance Benefit Act and the Utah
12 State Personnel Management Act by amending retirement provisions.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ clarifies definitions;
- 16 ▶ replaces mention of the Teachers Insurance and Annuity Association of America

17 with a retirement plan offered by a public or private system, organization, or
18 company designated by the State Board of Regents;

- 19 ▶ clarifies that a governor, legislator, other full-time elected official, or employee with
20 Tier I service credit in a system or plan administered by the Utah State Retirement
21 Board may only participate in another Tier I system or plan if the individual enters
22 office or employment with a participating employer on or after July 1, 2011;

- 23 ▶ expands the annual CPI increases for postretirement earnings limitations to include
24 reemployed earnings that are based on one-half of final average salary;

- 25 ▶ clarifies reporting provisions for participating ~~§~~→ [employees] employers ←~~§~~ regarding
25a the employees'

26 accrual of service credit;

- 27 ▶ eliminates the requirement that certain retirement application forms must be



28 notarized when submitted to the Utah State Retirement Office;

29 ▶ provides that a beneficiary who qualifies for a monthly benefit must apply in writing
30 to the Utah State Retirement Office and that the allowance shall begin on the first
31 day of the month following the month in which the participant died if the
32 application is received within 90 days of the death, or the following month if the
33 application is received by the office more than 90 days after the date of death;

34 ▶ provides that for certain employer service credit purchases, an employee is not
35 required to have at least four years of service credit or to forfeit service credit or any
36 defined contribution balance;

37 ▶ provides that a minor child beneficiary may receive a refund of a deceased
38 member's public safety member contributions;

39 ▶ clarifies that a judge with 25 or more years of service credit does not get penalized
40 for retiring before age 65;

41 ▶ provides that an eligible employee in the Tier II public employees system includes
42 an employee who is covered by a retirement program offered by another public or
43 private system, organization, or company designated by the State Board of Regents;

44 ▶ provides that a person who is receiving long-term disability benefits may only
45 accrue service credit until the earlier of date of death, the date the person retires, or
46 the date the person has accumulated or would have accumulated service credit in a
47 defined benefit system or plan under this title, sufficient to be eligible to retire with
48 an unreduced benefit;

49 ▶ clarifies that a qualifying employee must be receiving paid leave benefits to be
50 eligible to receive the state employee matching supplemental defined contribution
51 benefit; and

52 ▶ makes technical changes.

53 **Money Appropriated in this Bill:**

54 None

55 **Other Special Clauses:**

56 ~~§~~→ [None] This bill takes effect immediately. ←~~§~~

57 **Utah Code Sections Affected:**

58 AMENDS:

2260 (c) Each volunteer fire department shall maintain a current roll of all volunteer
 2261 firefighters which meet the requirements of Subsection 49-23-102(12) to determine the
 2262 eligibility for this benefit.

2263 (3) (a) If the death is classified as a line-of-duty death by the office, death benefits are
 2264 payable under this section and the spouse at the time of death is not eligible for benefits under
 2265 Section 49-23-502.

2266 (b) If the death is not classified as a line-of-duty death by the office, benefits are
 2267 payable in accordance with Section 49-23-502.

2268 (4) (a) A spouse who qualifies for a monthly benefit under this section shall apply in
 2269 writing to the office.

2270 (b) The allowance shall begin on the first day of the month following the month in
 2271 which the:

2272 (i) member or participant died, if the application is received by the office within 90
 2273 days of the date of death of the member or participant; or

2274 (ii) application is received by the office, if the application is received by the office
 2275 more than 90 days after the date of death of the member or participant.

2276 Section 49. Section 67-19-43 is amended to read:

2277 **67-19-43. State employee matching supplemental defined contribution benefit.**

2278 (1) As used in this section, "qualifying employee" means an employee who is:

2279 (a) in a position that is ~~§~~ **→ [receiving]** ~~← §~~ ;

2280 (i) ~~§~~ **→ receiving** ~~← §~~ retirement benefits under Title 49, Utah State Retirement and
 2280a Insurance Benefit Act;

2281 and

2282 (ii) ~~§~~ **→ accruing** ~~← §~~ paid leave benefits ~~§~~ **→ [accrued on a biweekly basis]** that can be
 2282a used in the current and future calendar years ~~← §~~ ; and

2283 (b) not an employee who is reemployed as defined in Section 49-11-102.

2284 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,
 2285 2014, an employer shall make a biweekly matching contribution to every qualifying employee's
 2286 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject
 2287 to federal requirements and limitations, which is sponsored by the Utah State Retirement
 2288 Board.

2289 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying
 2290 employee shall be eligible to receive the same dollar amount for the contribution under

2291 Subsection (2).

2292 (b) A qualifying employee:

2293 (i) shall receive the contribution amount determined under Subsection (3)(c) if the
2294 qualifying employee makes a voluntary personal contribution to the defined contribution plan
2295 account described in Subsection (2) in an amount equal to or greater than the employer's
2296 contribution amount determined in Subsection (3)(c);

2297 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's
2298 personal contribution amount if the employee makes a voluntary personal contribution to the
2299 defined contribution plan account described in Subsection (2) in an amount less than the
2300 employer's contribution amount determined in Subsection (3)(c); or

2301 (iii) may not receive a contribution under Subsection (2) if the qualifying employee
2302 does not make a voluntary personal contribution to the defined contribution plan account
2303 described in Subsection (2).

2304 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall
2305 annually determine the contribution amount that an employer shall provide to each qualifying
2306 employee under Subsection (2).

2307 (ii) The department shall make recommendations annually to the Legislature on the
2308 contribution amount required under Subsection (2), in consultation with the Governor's Office
2309 of Management and Budget and the Division of Finance.

2310 (iii) The biweekly matching contribution amount required under Subsection (2) may
2311 not exceed \$26 for each qualifying employee.

2312 (4) A qualifying employee is eligible to receive the biweekly contribution under this
2313 section for any pay period in which the employee is in a paid status or other status protected by
2314 federal or state law.

2315 (5) The employer and employee contributions made under this section vest
2316 immediately upon deposit and can be withdrawn by the employee at any time, subject to
2317 Internal Revenue Code regulations on the withdrawals.

2318 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2319 executive director shall make rules establishing procedures to implement the provisions of this
2320 section.

2320a **§→ Section 50. Effective date.**

2320b **If approved by two-thirds of all the members elected to each house, this bill takes effect upon**

2320c **approval by the governor, or the day following the constitutional time limit of Utah**

2320d **Constitution Article VII, Section 8, without the governor's signature, or in the case of a**

2320e **veto, the date of veto override.** ←§