

Senator Todd Weiler proposes the following substitute bill:

RETIREMENT WITHDRAWAL MODIFICATIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: Kraig Powell

LONG TITLE

General Description:

This bill modifies the Utah State Retirement and Insurance Benefit Act by providing for the withdrawal of employees of a withdrawing entity.

Highlighted Provisions:

This bill:

- ▶ allows certain withdrawing entities to make an election to withdraw from participation in a Utah retirement system or plan for current and future employees in certain circumstances;
- ▶ requires the withdrawing entity to pay certain costs that arise out of the election of the withdrawal;
- ▶ excludes all employees of a withdrawing entity from participation in the Public Employees' Contributory Retirement System, the Public Employees' Noncontributory Retirement System, and the New Public Employees' Tier II Contributory Retirement Act under certain circumstances;

~~§ → [→ requires certain reporting from a withdrawing entity;] ← §~~ and

- ▶ makes technical changes.

Money Appropriated in this Bill:

None

1st Sub. S.B. 239



57 ~~[(b)]~~ (ii) withdraw from participation in all systems or plans for all persons initially
 58 entering employment with the withdrawing entity, beginning on the date set under Subsection
 59 (2)(a)~~[-]; or~~

60 (b) withdraw from participation in all systems or plans for all current and future
 61 employees of the withdrawing entity, beginning on the date set under Subsection (2)(a).

62 (4) (a) An election provided under Subsection (3):

63 (i) is a one-time election made no later than the date specified under Subsection (2)(a);

64 (ii) shall be documented by a resolution adopted by the governing body of the
 65 withdrawing entity;

66 (iii) is irrevocable; and

67 (iv) applies to the withdrawing entity as the employer and to all employees of the
 68 withdrawing entity.

69 (b) Notwithstanding an election made under Subsection (3), any eligibility for service
 70 credit earned by an employee under this title before the date specified under Subsection (2)(a)
 71 is not affected by this section.

72 (5) If a withdrawing entity elects to continue participation under Subsection (3), the
 73 withdrawing entity shall continue to be subject to the laws and the rules governing the system
 74 or plan in which an employee participates, including the accrual of service credit and payment
 75 of contributions.

76 (6) Before a withdrawing entity may withdraw under this section, the withdrawing
 77 entity and the office shall enter into an agreement on:

78 (a) the costs described under Subsection (2)(b); and

79 (b) arrangements for the payment of the costs described under Subsection (2)(b).

80 **§→ [(7) (a) A withdrawing entity that withdraws under Subsection (3)(a) or (b), shall**
 81 **prepare and submit to the governor and the Retirement and Independent Entities Committee, by**
 82 **October 1 of each year, an annual written report of its finances, operations, and services for the**
 83 **preceding fiscal year.**

84 ~~—— (b) The report shall include:~~

85 ~~—— (i) budget data showing personnel and employee benefit expenditures, financial status,~~
 86 ~~and any outstanding loan information; and~~

87 ~~—— (ii) historical data from previous years for comparison with data reported under ☺~~

88 ~~Subsections (7)(a) and (b)(i):~~ ←§

89 [(6)] §→ [(8)] (7) ←§ The board shall make rules to implement this section.

90 Section 2. Section 49-12-203 is amended to read:

91 **49-12-203. Exclusions from membership in system.**

92 (1) The following employees are not eligible for service credit in this system:

93 (a) subject to the requirements of Subsection (2), an employee whose employment
94 status is temporary in nature due to the nature or the type of work to be performed;

95 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
96 education who participates in a retirement system with a public or private retirement system,
97 organization, or company designated by the State Board of Regents during any period in which
98 required contributions based on compensation have been paid on behalf of the employee by the
99 employer;

100 (c) an employee serving as an exchange employee from outside the state;

101 (d) an executive department head of the state, a member of the State Tax Commission,
102 the Public Service Commission, and a member of a full-time or part-time board or commission
103 who files a formal request for exemption;

104 (e) an employee of the Department of Workforce Services who is covered under
105 another retirement system allowed under Title 35A, Chapter 4, Employment Security Act;

106 (f) an employee who is employed on or after July 1, 2009, with an employer that has
107 elected, prior to July 1, 2009, to be excluded from participation in this system under Subsection
108 49-12-202(2)(c);

109 (g) an employee who is employed on or after July 1, 2014, with an employer that has
110 elected, prior to July 1, 2014, to be excluded from participation in this system under Subsection
111 49-12-202(2)(d); or

112 (h) an employee who is employed with a withdrawing entity that has elected, prior to
113 January 1, 2017, to exclude;

114 (i) new employees from participation in this system under Subsection
115 49-11-623(3)[-](a); or

116 (ii) all employees from participation in this system under Subsection 49-11-623(3)(b).

117 (2) If an employee whose status is temporary in nature due to the nature of type of
118 work to be performed: