

1 **RECODIFICATION OF POSTRETIREMENT REEMPLOYMENT**

2 **PROVISIONS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Kraig Powell**

6 Senate Sponsor: Todd Weiler

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Utah State Retirement and Insurance Benefit Act by amending
11 postretirement reemployment provisions.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ recodifies postretirement employment provisions;
- 15 ▶ clarifies amortization rate payments for certain reemployed retirees; and
- 16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a coordination clause.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **49-11-102**, as last amended by Laws of Utah 2014, Chapter 15

24 **49-11-405**, as last amended by Laws of Utah 2010, Chapter 264

25 **49-11-504**, as last amended by Laws of Utah 2013, Chapter 316

26 **49-12-401**, as last amended by Laws of Utah 2015, Chapter 256

27 **49-12-701**, as last amended by Laws of Utah 2010, Chapter 264

28 **49-13-401**, as last amended by Laws of Utah 2015, Chapter 256

29 **49-13-701**, as last amended by Laws of Utah 2010, Chapter 264

- 30 **49-14-401**, as last amended by Laws of Utah 2015, Chapter 256
- 31 **49-15-401**, as last amended by Laws of Utah 2015, Chapter 256
- 32 **49-16-203**, as last amended by Laws of Utah 2010, Chapter 264
- 33 **49-16-401**, as last amended by Laws of Utah 2015, Chapter 256
- 34 **49-22-304**, as last amended by Laws of Utah 2015, Chapter 256
- 35 **49-23-303**, as last amended by Laws of Utah 2015, Chapter 256
- 36 **67-19-43**, as last amended by Laws of Utah 2015, Chapter 248

37 ENACTS:

- 38 **49-11-1201**, Utah Code Annotated 1953
- 39 **49-11-1202**, Utah Code Annotated 1953
- 40 **49-11-1203**, Utah Code Annotated 1953
- 41 **49-11-1204**, Utah Code Annotated 1953
- 42 **49-11-1205**, Utah Code Annotated 1953
- 43 **49-11-1206**, Utah Code Annotated 1953
- 44 **49-11-1207**, Utah Code Annotated 1953
- 45 **49-11-1208**, Utah Code Annotated 1953

46 REPEALS:

- 47 **49-11-505**, as last amended by Laws of Utah 2015, Chapters 243 and 256

48 **Utah Code Sections Affected by Coordination Clause:**

- 49 **49-11-1202**, Utah Code Annotated 1953
- 50 **49-11-1206**, Utah Code Annotated 1953
- 51 **49-11-1302**, Utah Code Annotated 1953
- 52 **49-11-1306**, Utah Code Annotated 1953



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

55 Section 1. Section **49-11-102** is amended to read:

56 **49-11-102. Definitions.**

57 As used in this title:

- 58 (1) (a) "Active member" means a member who:
59 (i) is employed by a participating employer and accruing service credit; or
60 (ii) within the previous 120 days:
61 (A) has been employed by a participating employer; and
62 (B) accrued service credit.
63 (b) "Active member" does not include a retiree.
- 64 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the
65 basis of mortality tables as recommended by the actuary and adopted by the executive director,
66 including regular interest.
- 67 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and
68 adopted by the board upon which the funding of system costs and benefits are computed.
- 69 (4) (a) "Agency" means:
70 (i) a department, division, agency, office, authority, commission, board, institution, or
71 hospital of the state;
72 (ii) a county, municipality, school district, local district, or special service district;
73 (iii) a state college or university; or
74 (iv) any other participating employer.
75 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a
76 subdivision of another entity listed under Subsection (4)(a).
- 77 (5) "Allowance" or "retirement allowance" means the pension plus the annuity,
78 including any cost of living or other authorized adjustments to the pension and annuity.
- 79 (6) "Alternate payee" means a member's former spouse or family member eligible to
80 receive payments under a Domestic Relations Order in compliance with Section [49-11-612](#).
- 81 (7) "Amortization rate" means the board certified percent of salary required to amortize
82 the unfunded actuarial accrued liability in accordance with policies established by the board
83 upon the advice of the actuary.
- 84 (8) "Annuity" means monthly payments derived from member contributions.
- 85 (9) "Appointive officer" means an employee appointed to a position for a definite and

86 fixed term of office by official and duly recorded action of a participating employer whose
87 appointed position is designated in the participating employer's charter, creation document, or
88 similar document, and:

89 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in
90 Section 49-12-407 for a Tier I appointive officer; and

91 (b) whose appointive position is full-time as certified by the participating employer for
92 a Tier II appointive officer.

93 (10) (a) "At-will employee" means a person who is employed by a participating
94 employer and:

95 (i) who is not entitled to merit or civil service protection and is generally considered
96 exempt from a participating employer's merit or career service personnel systems;

97 (ii) whose on-going employment status is entirely at the discretion of the person's
98 employer; or

99 (iii) who may be terminated without cause by a designated supervisor, manager, or
100 director.

101 (b) "At-will employee" does not include a career employee who has obtained a
102 reasonable expectation of continued employment based on inclusion in a participating
103 employer's merit system, civil service protection system, or career service personnel systems,
104 policies, or plans.

105 (11) "Beneficiary" means any person entitled to receive a payment under this title
106 through a relationship with or designated by a member, participant, covered individual, or
107 alternate payee of a defined contribution plan.

108 (12) "Board" means the Utah State Retirement Board established under Section
109 49-11-202.

110 (13) "Board member" means a person serving on the Utah State Retirement Board as
111 established under Section 49-11-202.

112 (14) "Certified contribution rate" means the board certified percent of salary paid on
113 behalf of an active member to the office to maintain the system on a financially and actuarially

114 sound basis.

115 (15) "Contributions" means the total amount paid by the participating employer and the
116 member into a system or to the Utah Governors' and Legislators' Retirement Plan under
117 Chapter 19, Utah Governors' and Legislators' Retirement Act.

118 (16) "Council member" means a person serving on the Membership Council
119 established under Section [49-11-202](#).

120 (17) "Covered individual" means any individual covered under Chapter 20, Public
121 Employees' Benefit and Insurance Program Act.

122 (18) "Current service" means covered service under:

- 123 (a) Chapter 12, Public Employees' Contributory Retirement Act;
- 124 (b) Chapter 13, Public Employees' Noncontributory Retirement Act;
- 125 (c) Chapter 14, Public Safety Contributory Retirement Act;
- 126 (d) Chapter 15, Public Safety Noncontributory Retirement Act;
- 127 (e) Chapter 16, Firefighters' Retirement Act;
- 128 (f) Chapter 17, Judges' Contributory Retirement Act;
- 129 (g) Chapter 18, Judges' Noncontributory Retirement Act;
- 130 (h) Chapter 19, Utah Governors' and Legislators' Retirement Act;
- 131 (i) Chapter 22, New Public Employees' Tier II Contributory Retirement Act; or
- 132 (j) Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act.

133 (19) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a
134 system or plan offered under this title to provide a specified allowance to a retiree or a retiree's
135 spouse after retirement that is based on a set formula involving one or more of the following
136 factors:

- 137 (a) years of service;
- 138 (b) final average monthly salary; or
- 139 (c) a retirement multiplier.

140 (20) "Defined contribution" or "defined contribution plan" means any defined
141 contribution plan or deferred compensation plan authorized under the Internal Revenue Code

142 and administered by the board.

143 (21) "Educational institution" means a political subdivision or instrumentality of the
144 state or a combination thereof primarily engaged in educational activities or the administration
145 or servicing of educational activities, including:

- 146 (a) the State Board of Education and its instrumentalities;
- 147 (b) any institution of higher education and its branches;
- 148 (c) any school district and its instrumentalities;
- 149 (d) any vocational and technical school; and
- 150 (e) any entity arising out of a consolidation agreement between entities described under
151 this Subsection (21).

152 (22) "Elected official":

- 153 (a) means a person elected to a state office, county office, municipal office, school
154 board or school district office, local district office, or special service district office;
- 155 (b) includes a person who is appointed to serve an unexpired term of office described
156 under Subsection (22)(a); and
- 157 (c) does not include a judge or justice who is subject to a retention election under
158 Section [20A-12-201](#).

159 (23) (a) "Employer" means any department, educational institution, or political
160 subdivision of the state eligible to participate in a government-sponsored retirement system
161 under federal law.

162 (b) "Employer" may also include an agency financed in whole or in part by public
163 funds.

164 (24) "Exempt employee" means an employee working for a participating employer:

- 165 (a) who is not eligible for service credit under Section [49-12-203](#), [49-13-203](#),
166 [49-14-203](#), [49-15-203](#), or [49-16-203](#); and
- 167 (b) for whom a participating employer is not required to pay contributions or
168 nonelective contributions.

169 (25) "Final average monthly salary" means the amount computed by dividing the

170 compensation received during the final average salary period under each system by the number
171 of months in the final average salary period.

172 (26) "Fund" means any fund created under this title for the purpose of paying benefits
173 or costs of administering a system, plan, or program.

174 (27) (a) "Inactive member" means a member who has not been employed by a
175 participating employer for a period of at least 120 days.

176 (b) "Inactive member" does not include retirees.

177 (28) (a) "Initially entering" means hired, appointed, or elected for the first time, in
178 current service as a member with any participating employer.

179 (b) "Initially entering" does not include a person who has any prior service credit on
180 file with the office.

181 (c) "Initially entering" includes an employee of a participating employer, except for an
182 employee that is not eligible under a system or plan under this title, who:

183 (i) does not have any prior service credit on file with the office;

184 (ii) is covered by a retirement plan other than a retirement plan created under this title;

185 and

186 (iii) moves to a position with a participating employer that is covered by this title.

187 (29) "Institution of higher education" means an institution described in Section
188 [53B-1-102](#).

189 (30) (a) "Member" means a person, except a retiree, with contributions on deposit with
190 a system, the Utah Governors' and Legislators' Retirement Plan under Chapter 19, Utah
191 Governors' and Legislators' Retirement Act, or with a terminated system.

192 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)
193 of the Internal Revenue Code, if the employees have contributions on deposit with the office.

194 If leased employees constitute less than 20% of the participating employer's work force that is
195 not highly compensated within the meaning of Section 414(n)(5)(c)(ii), Internal Revenue Code,
196 "member" does not include leased employees covered by a plan described in Section 414(n)(5)
197 of the federal Internal Revenue Code.

198 (31) "Member contributions" means the sum of the contributions paid to a system or
199 the Utah Governors' and Legislators' Retirement Plan, including refund interest if allowed by a
200 system, and which are made by:

201 (a) the member; and

202 (b) the participating employer on the member's behalf under Section 414(h) of the
203 Internal Revenue Code.

204 (32) "Nonelective contribution" means an amount contributed by a participating
205 employer into a participant's defined contribution account.

206 (33) "Normal cost rate":

207 (a) means the percent of salary that is necessary for a retirement system that is fully
208 funded to maintain its fully funded status; and

209 (b) is determined by the actuary based on the assumed rate of return established by the
210 board.

211 (34) "Office" means the Utah State Retirement Office.

212 (35) "Participant" means an individual with voluntary deferrals or nonelective
213 contributions on deposit with the defined contribution plans administered under this title.

214 (36) "Participating employer" means a participating employer, as defined by Chapter
215 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
216 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
217 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
218 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'
219 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds
220 which is participating in a system or plan as of January 1, 2002.

221 (37) "Part-time appointed board member" means a person:

222 (a) who is appointed to serve as a member of a board, commission, council, committee,
223 or panel of a participating employer; and

224 (b) whose service as a part-time appointed board member does not qualify as a regular
225 full-time employee as defined under Section [49-12-102](#), [49-13-102](#), or [49-22-102](#).

226 (38) "Pension" means monthly payments derived from participating employer
227 contributions.

228 (39) "Plan" means the Utah Governors' and Legislators' Retirement Plan created by
229 Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees' Tier
230 II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution Plan,
231 the New Public Safety and Firefighter Tier II Defined Contribution Plan created by Chapter 23,
232 Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created under
233 Section 49-11-801.

234 (40) (a) "Political subdivision" means any local government entity, including cities,
235 towns, counties, and school districts, but only if the subdivision is a juristic entity that is legally
236 separate and distinct from the state and only if its employees are not by virtue of their
237 relationship to the entity employees of the state.

238 (b) "Political subdivision" includes local districts, special service districts, or
239 authorities created by the Legislature or by local governments, including the office.

240 (c) "Political subdivision" does not include a project entity created under Title 11,
241 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.

242 (41) "Program" means the Public Employees' Insurance Program created under Chapter
243 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'
244 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term
245 Disability Act.

246 (42) "Public funds" means those funds derived, either directly or indirectly, from public
247 taxes or public revenue, dues or contributions paid or donated by the membership of the
248 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,
249 the governmental, educational, and social programs and systems of the state or its political
250 subdivisions.

251 (43) "Qualified defined contribution plan" means a defined contribution plan that
252 meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

253 ~~[(44) (a) "Reemployed," "reemploy," or "reemployment" means work or service~~

254 ~~performed for a participating employer after retirement, in exchange for compensation.]~~

255 ~~[(b) Reemployment includes work or service performed on a contract for a~~
256 ~~participating employer if the retiree is:]~~

257 ~~[(i) listed as the contractor; or]~~

258 ~~[(ii) an owner, partner, or principal of the contractor.]~~

259 ~~[(45)]~~ (44) "Refund interest" means the amount accrued on member contributions at a
260 rate adopted by the board.

261 ~~[(46)]~~ (45) "Retiree" means an individual who has qualified for an allowance under this
262 title.

263 ~~[(47)]~~ (46) "Retirement" means the status of an individual who has become eligible,
264 applies for, and is entitled to receive an allowance under this title.

265 ~~[(48)]~~ (47) "Retirement date" means the date selected by the member on which the
266 member's retirement becomes effective with the office.

267 ~~[(49)]~~ (48) "Retirement related contribution":

268 (a) means any employer payment to any type of retirement plan or program made on
269 behalf of an employee; and

270 (b) does not include Social Security payments or Social Security substitute payments
271 made on behalf of an employee.

272 ~~[(50)]~~ (49) "Service credit" means:

273 (a) the period during which an employee is employed and compensated by a
274 participating employer and meets the eligibility requirements for membership in a system or the
275 Utah Governors' and Legislators' Retirement Plan, provided that any required contributions are
276 paid to the office; and

277 (b) periods of time otherwise purchasable under this title.

278 ~~[(51)]~~ (50) "System" means the individual retirement systems created by Chapter 12,
279 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
280 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
281 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'

282 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'
283 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement
284 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part
285 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid
286 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

287 [~~(52)~~] (51) "Tier I" means a system or plan under this title for which:

288 (a) an employee is eligible to participate if the employee initially enters regular
289 full-time employment before July 1, 2011; or

290 (b) a governor or legislator who initially enters office before July 1, 2011.

291 [~~(53)~~] (52) (a) "Tier II" means a system or plan under this title provided in lieu of a
292 Tier I system or plan for an employee, governor, legislator, or full-time elected official who
293 does not have Tier I service credit in a system or plan under this title:

294 (i) if the employee initially enters regular full-time employment on or after July 1,
295 2011; or

296 (ii) if the governor, legislator, or full-time elected official initially enters office on or
297 after July 1, 2011.

298 (b) "Tier II" includes:

299 (i) the Tier II hybrid system established under:

300 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or

301 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and

302 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:

303 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or

304 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.

305 [~~(54)~~] (53) "Unfunded actuarial accrued liability" or "UAAL":

306 (a) is determined by the system's actuary; and

307 (b) means the excess, if any, of the accrued liability of a retirement system over the
308 actuarial value of its assets.

309 [~~(55)~~] (54) "Voluntary deferrals" means an amount contributed by a participant into

310 that participant's defined contribution account.

311 Section 2. Section 49-11-405 is amended to read:

312 **49-11-405. Service credit from different systems or plans -- Eligibility and**
313 **calculation of service credit.**

314 (1) (a) A member who has service credit from two or more systems or one or more
315 systems and the Utah Governors' and Legislators' Retirement Plan may combine service credit
316 for purposes of determining eligibility for retirement.

317 (b) The provisions of Subsection (1)(a) do not apply to concurrent service.

318 (2) To be eligible for the calculation under Subsection (3), the member's service credit
319 earned under the different systems or the Utah Governors' and Legislators' Retirement Plan
320 shall at least equal the minimum amount of service credit required to retire from the system
321 which most recently covered the member.

322 (3) If a member meets the requirements of Subsection (2), the office shall calculate the
323 member's allowance using all service credit earned from any system or the Utah Governors' and
324 Legislators' Retirement Plan, with no actuarial reduction applied to the allowance, except the
325 service credit used to calculate the benefit shall be increased or decreased to reflect the value of
326 the assets transferred.

327 (4) The office shall establish the standards used for calculating any increase or decrease
328 in the service credit.

329 (5) This section does not apply to a retiree who is subject to ~~[Sections]~~ Section
330 49-11-504 and ~~[49-11-505]~~ Chapter 11, Part 12, Postretirement Reemployment Restrictions
331 Act.

332 Section 3. Section 49-11-504 is amended to read:

333 **49-11-504. Reemployment of a retiree -- Restrictions.**

334 (1) As used in this section^[7]:

335 (a) "full-time" means:

336 ~~[(a)]~~ (i) employment requiring 20 or more hours of work per week; or

337 ~~[(b)]~~ (ii) at least a half-time teaching contract.

338 (b) "Reemployed," "reemploy," or "reemployment" means the same as those terms are
339 defined in Section 49-11-1202.

340 (2) (a) Except for the provisions of Subsection (3), the provisions of this section do not
341 apply to a person who is subject to the provisions of [~~Section 49-11-505~~] Chapter 11, Part 12,
342 Postretirement Reemployment Restrictions Act.

343 (b) This section does not apply to employment as an elected official.

344 (3) A person who is not a retiree under this title is not subject to any postretirement
345 restrictions under this title.

346 (4) A retiree of an agency who is reemployed may not earn additional service credit, if
347 the retiree is reemployed by:

348 (a) a different agency; or

349 (b) the same agency after six months from the retirement date.

350 (5) A retiree of an agency who is reemployed on a full-time basis by the same agency
351 within six months of the date of retirement is subject to the following:

352 (a) the agency shall immediately notify the office;

353 (b) the office shall cancel the retiree's allowance and reinstate the retiree to active
354 member status;

355 (c) the allowance cancellation and reinstatement to active member status is effective on
356 the first day of the month following the date of reemployment;

357 (d) the reinstated retiree may not retire again with a recalculated benefit for a two-year
358 period from the date of cancellation of the original allowance, and if the retiree retires again
359 within the two-year period, the original allowance shall be resumed; and

360 (e) a reinstated retiree retiring after the two-year period shall be credited with the
361 service credit in the retiree's account at the time of the first retirement and from that time shall
362 be treated as a member of a system, including the accrual of additional service credit, but
363 subject to recalculation of the allowance under Subsection (9).

364 (6) A retiree of an agency who is reemployed by the same agency within six months of
365 retirement on a less than full-time basis by the same agency is subject to the following:

366 (a) the retiree may earn, without penalty, compensation from that position which is not
367 in excess of the exempt earnings permitted by Social Security;

368 (b) if a retiree receives compensation in a calendar year in excess of the Social Security
369 limitation, 25% of the allowance shall be suspended for the remainder of the six-month period;

370 (c) the effective date of a suspension and reinstatement of an allowance shall be set by
371 the office; and

372 (d) any suspension of a retiree's allowance under this Subsection (6) shall be applied on
373 a calendar year basis.

374 (7) For six months immediately following retirement, the retiree and participating
375 employer who are subject to Subsection (6) shall:

376 (a) maintain an accurate record of gross earnings in employment;

377 (b) report the gross earnings at least monthly to the office;

378 (c) immediately notify the office in writing of any postretirement earnings under
379 Subsection (6); and

380 (d) immediately notify the office in writing whether postretirement earnings equal or
381 exceed the exempt earnings under Subsection (6).

382 (8) (a) If a participating employer hires a retiree, the participating employer may not
383 make a retirement related contribution in an amount that exceeds the normal cost rate as
384 defined under Section [49-11-102](#) on behalf of the retiree under Subsections (8)(b) and (c).

385 (b) The contributions under Subsection (8)(a) are not required, but if paid, shall be paid
386 to a retiree-designated:

387 (i) qualified defined contribution plan administered by the board, if the participating
388 employer participates in a qualified defined contribution plan administered by the board; or

389 (ii) qualified defined contribution plan offered by the participating employer if the
390 participating employer does not participate in a qualified defined contribution plan
391 administered by the board.

392 (c) Notwithstanding the provisions of Subsection (8)(b), if an employer is not
393 participating in a qualified defined contribution plan administered by the board, the employer

394 may elect to pay the contributions under Subsection (8)(a) to a deferred compensation plan
395 administered by the board.

396 (9) A retiree who has returned to work, accrued additional service credit, and again
397 retires shall have the retiree's allowance recalculated using:

398 (a) the formula in effect at the date of the retiree's original retirement for all service
399 credit accrued prior to that date; and

400 (b) the formula in effect at the date of the subsequent retirement for all service credit
401 accrued between the first and subsequent retirement dates.

402 (10) The board may make rules to implement this section.

403 Section 4. Section **49-11-1201** is enacted to read:

404 **Part 12. Postretirement Reemployment Restrictions Act**

405 **49-11-1201. Title.**

406 This part is known as the "Postretirement Reemployment Restrictions Act."

407 Section 5. Section **49-11-1202** is enacted to read:

408 **49-11-1202. Definitions.**

409 As used in this part:

410 (1) (a) "Affiliated emergency services worker" means a person who:

411 (i) is employed by a participating employer;

412 (ii) performs emergency services for another participating employer that is a different
413 agency;

414 (iii) is trained in techniques and skills required for the emergency service;

415 (iv) continues to receive regular training required for the service;

416 (v) is on the rolls as a trained affiliated emergency services worker of the participating
417 employer; and

418 (vi) provides ongoing service for a participating employer, which service may include
419 service as a volunteer firefighter, reserve law enforcement officer, search and rescue worker,
420 emergency medical technician, ambulance worker, park ranger, or public utilities worker.

421 (b) "Affiliated emergency services worker" does not include a person who performs

422 work or service but does not meet the requirements of Subsection (1)(a).

423 (2) "Amortization rate" means the amortization rate, as defined in Section 49-11-102,
424 to be applied to the system that would have covered the retiree if the retiree's reemployed
425 position were deemed to be an eligible, full-time position within that system.

426 (3) (a) "Reemployed," "reemploy," or "reemployment" means work or service
427 performed for a participating employer after retirement, in exchange for compensation.

428 (b) Reemployment includes work or service performed on a contract for a participating
429 employer if the retiree is:

430 (i) listed as the contractor; or

431 (ii) an owner, partner, or principal of the contractor.

432 (4) "Retiree":

433 (a) means a person who:

434 (i) retired from a participating employer; and

435 (ii) begins reemployment on or after July 1, 2010, with a participating employer; and

436 (b) does not include a person:

437 (i) who was reemployed by a participating employer before July 1, 2010; and

438 (ii) whose participating employer that reemployed the person under Subsection

439 (4)(b)(i) was dissolved, consolidated, merged, or structurally changed in accordance with
440 Section 49-11-621 on or after July 1, 2010.

441 Section 6. Section 49-11-1203 is enacted to read:

442 **49-11-1203. Applicability.**

443 (1) (a) This part does not apply to employment as an elected official if the elected
444 official's position is not full time as certified by the participating employer.

445 (b) The provisions of this part apply to an elected official whose elected position is full
446 time as certified by the participating employer.

447 (2) (a) This part does not apply to employment as a part-time appointed board member
448 who does not receive any remuneration, stipend, or other benefit for the part-time appointed
449 board member's service.

450 (b) For purposes of this Subsection (2), remuneration, stipend, or other benefit does not
451 include receipt of per diem and travel expenses up to the amounts established by the Division
452 of Finance in:

- 453 (i) Section [63A-3-106](#);
- 454 (ii) Section [63A-3-107](#); and
- 455 (iii) rules made by the Division of Finance according to Sections [63A-3-106](#) and
456 [63A-3-107](#).

457 (3) This part does not apply to a person who is reemployed as an active senior judge or
458 an active senior justice court judge as described by Utah State Court Rules, appointed to hear
459 cases by the Utah Supreme Court in accordance with Article VIII, Section 4, Utah Constitution.

460 Section 7. Section **49-11-1204** is enacted to read:

461 **49-11-1204. General Restrictions -- Election following one-year separation --**
462 **Amortization rate.**

463 (1) A retiree may not for the same period of reemployment:

- 464 (a) (i) earn additional service credit; or
- 465 (ii) receive any retirement related contribution from a participating employer; and
- 466 (b) receive a retirement allowance.

467 (2) Except as provided under Section [49-11-1205](#), the office shall cancel the retirement
468 allowance of a retiree if the reemployment with a participating employer begins within one year
469 of the retiree's retirement date.

470 (3) If a reemployed retiree has completed the one-year separation from employment
471 with a participating employer required under Subsection (2), the retiree may elect to:

- 472 (a) cancel the retiree's retirement allowance and instead earn additional service credit in
473 accordance with this title; or

- 474 (b) continue to receive the retiree's retirement allowance, forfeit earning additional
475 service credit, and forfeit any retirement-related contribution from the participating employer
476 that reemployed the retiree.

477 (4) (a) If the office receives notice of the election of a reemployed retiree under

478 Subsection (3)(a), the office shall immediately cancel the retiree's retirement allowance.

479 (b) (i) If the retiree under Subsection (4)(a) is eligible for retirement coverage in the
480 reemployed position, the office shall reinstate the retiree to active member status on the first
481 day of the month following the date of the employee's election.

482 (ii) Except as provided under Subsection (4)(c), if the retiree is not otherwise eligible
483 for retirement coverage in the reemployed position, the participating employer that reemploys
484 the retiree shall contribute the amortization rate to the office on behalf of the retiree.

485 (c) A participating employer that reemploys a retiree in accordance with Subsection
486 49-11-1205(1) is not required to contribute the amortization rate to the office.

487 (5) (a) For a retiree under Subsection (4)(b) who retires within two years from the date
488 of reemployment, the office:

489 (i) may not recalculate a retirement benefit for the retiree; and

490 (ii) shall resume the allowance that was being paid to the retiree at the time of the
491 cancellation.

492 (b) Subject to Subsection (1), for a retiree who is reinstated to active membership
493 under Subsection (4)(b) and retires two or more years after the date of reinstatement to active
494 membership, the office shall:

495 (i) resume the allowance that was being paid at the time of cancellation; and

496 (ii) calculate an additional allowance for the retiree based on the formula in effect at
497 the date of the subsequent retirement for all service credit accrued between the first and
498 subsequent retirement dates.

499 Section 8. Section **49-11-1205** is enacted to read:

500 **49-11-1205. Postretirement reemployment restriction exceptions.**

501 (1) (a) The office may not cancel the retirement allowance of a retiree who is
502 reemployed with a participating employer within one year of the retiree's retirement date if:

503 (i) the retiree is not reemployed by a participating employer for a period of at least 60
504 days from the retiree's retirement date;

505 (ii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree

506 does not receive any employer paid benefits, including:

507 (A) retirement service credit or retirement-related contributions;

508 (B) medical benefits;

509 (C) dental benefits;

510 (D) other insurance benefits except for workers' compensation as provided under Title

511 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease

512 Act, and withholdings required by federal or state law for social security, Medicare, and

513 unemployment insurance; or

514 (E) paid time off, including sick, annual, or other type of leave; and

515 (iii) the retiree does not earn in any calendar year of reemployment an amount in excess

516 of the lesser of \$15,000 or one-half of the retiree's final average salary upon which the retiree's

517 retirement allowance is based.

518 (b) Beginning January 1, 2013, the board shall adjust the amounts under Subsection

519 (1)(a)(iii) by the annual change in the Consumer Price Index during the previous calendar year

520 as measured by a United States Bureau of Labor Statistics Consumer Price Index average as

521 determined by the board.

522 (2) A retiree shall be considered as having completed the one-year separation from

523 employment with a participating employer required under Section [49-11-1204](#), if the retiree:

524 (a) before retiring:

525 (i) was employed with a participating employer as a public safety service employee as

526 defined in Section [49-14-102](#), [49-15-102](#), or [49-23-102](#);

527 (ii) and during the employment under Subsection (2)(a)(i), suffered a physical injury

528 resulting from external force or violence while performing the duties of the employment, and

529 for which injury the retiree would have been approved for total disability in accordance with

530 the provisions under Chapter 21, Public Employees' Long-Term Disability Act, if years of

531 service are not considered;

532 (iii) had less than 30 years of service credit but had sufficient service credit to retire,

533 with an unreduced allowance making the public safety service employee ineligible for

534 long-term disability payments under Chapter 21, Public Employees' Long-Term Disability Act,
535 or a substantially similar long-term disability program; and

536 (iv) does not receive any long-term disability benefits from any participating employer;
537 and

538 (b) is reemployed by a different participating employer.

539 (3) (a) The office may not cancel the retirement allowance of a retiree who is employed
540 as an affiliated emergency services worker within one year of the retiree's retirement date if the
541 affiliated emergency services worker does not receive any compensation, except for:

542 (i) a nominal fee, stipend, discount, tax credit, voucher, or other fixed sum of money or
543 cash equivalent payment not tied to productivity and paid periodically for services;

544 (ii) a length-of-service award;

545 (iii) insurance policy premiums paid by the participating employer in the event of death
546 of an affiliated emergency services worker or a line-of-duty accidental death or disability; or

547 (iv) reimbursement of expenses incurred in the performance of duties.

548 (b) For purposes of Subsections (3)(a)(i) and (ii), the total amount of any discounts, tax
549 credits, vouchers, and payments to an affiliated emergency services worker may not exceed
550 \$500 per month.

551 (c) Beginning January 1, 2016, the board shall adjust the amount under Subsection
552 (3)(b) by the annual change in the Consumer Price Index during the previous calendar year as
553 measured by a United States Bureau of Labor Statistics Consumer Price Index average as
554 determined by the board.

555 (4) (a) If a retiree is reemployed under the provisions of Subsection (1) or (3), the
556 termination date of the reemployment, as confirmed in writing by the participating employer, is
557 considered the retiree's retirement date for the purpose of calculating the separation
558 requirement under Section [49-11-1204](#).

559 (b) The office shall cancel the retirement allowance of a retiree for the remainder of the
560 calendar year if the reemployment with a participating employer exceeds the limitation under
561 Subsection (1)(a)(iii) or (3)(b).

562 Section 9. Section **49-11-1206** is enacted to read:

563 **49-11-1206. Notice of postretirement reemployment.**

564 (1) A participating employer shall immediately notify the office:

565 (a) if the participating employer reemploys a retiree;

566 (b) whether the reemployment is subject to Section [49-11-1204](#) or Subsection

567 [49-11-1205](#)(1), (2), or (3); and

568 (c) of any election by the retiree under Section [49-11-1204](#).

569 (2) A participating employer shall certify to the office whether the position of an
570 elected official is or is not full time.

571 (3) A retiree subject to this part shall report to the office the status of the reemployment
572 under Section [49-11-1204](#) or [49-11-1205](#).

573 Section 10. Section **49-11-1207** is enacted to read:

574 **49-11-1207. Postretirement reemployment -- Violations -- Penalties.**

575 (1) (a) If the office receives notice or learns of the reemployment of a retiree in
576 violation of Section [49-11-1204](#) or [49-11-1205](#), the office shall:

577 (i) immediately cancel the retiree's retirement allowance;

578 (ii) keep the retiree's retirement allowance cancelled for the remainder of the calendar
579 year if the reemployment with a participating employer exceeded the limitation under
580 Subsection [49-11-1205](#)(1)(a)(iii) or (3)(b); and

581 (iii) recover any overpayment resulting from the violation in accordance with the
582 provisions of Section [49-11-607](#) before the allowance may be reinstated.

583 (b) Reinstatement of an allowance following cancellation for a violation under this
584 section is subject to the procedures and provisions under Section [49-11-1204](#).

585 (2) If a retiree or participating employer failed to report reemployment in violation of
586 Section [49-11-1206](#), the retiree, participating employer, or both, who are found to be
587 responsible for the failure to report, are liable to the office for the amount of any overpayment
588 resulting from the violation.

589 (3) A participating employer is liable to the office for a payment or failure to make a

590 payment in violation of this part.

591 (4) If a participating employer fails to notify the office in accordance with Section
592 49-11-1206, the participating employer is immediately subject to a compliance audit by the
593 office.

594 Section 11. Section **49-11-1208** is enacted to read:

595 **49-11-1208. Rulemaking.**

596 The board may make rules to implement this part.

597 Section 12. Section **49-12-401** is amended to read:

598 **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

599 (1) A member is qualified to receive an allowance from this system when:

600 (a) except as provided under Subsection (3), the member ceases actual work for every
601 participating employer that employs the member before the member's retirement date and
602 provides evidence of the termination;

603 (b) the member has submitted to the office a retirement application form that states the
604 member's proposed retirement date; and

605 (c) one of the following conditions is met as of the member's retirement date:

606 (i) the member has accrued at least four years of service credit and has attained an age
607 of 65 years;

608 (ii) the member has accrued at least 10 years of service credit and has attained an age
609 of 62 years;

610 (iii) the member has accrued at least 20 years of service credit and has attained an age
611 of 60 years; or

612 (iv) the member has accrued at least 30 years of service credit.

613 (2) (a) The member's retirement date:

614 (i) shall be the 1st or the 16th day of the month, as selected by the member;

615 (ii) shall be on or after the date of termination; and

616 (iii) may not be more than 90 days before or after the date the application is received by
617 the office.

618 (b) Except as provided under Subsection (3), a member may not be employed by a
619 participating employer in the system established by this chapter on the retirement date selected
620 under Subsection (2)(a)(i).

621 (3) (a) A member who is employed by a participating employer and who is also an
622 elected official is not required to cease service as an elected official to be qualified to receive
623 an allowance under Subsection (1), unless the member is retiring from service as an elected
624 official.

625 (b) A member who is employed by a participating employer and who is also a part-time
626 appointed board member is not required to cease service as a part-time appointed board
627 member to be qualified to receive an allowance under Subsection (1).

628 (c) A member who is employed by a participating employer, who is also an affiliated
629 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
630 a different agency, is not required to cease service as an affiliated emergency services worker to
631 be qualified to receive an allowance under Subsection (1).

632 Section 13. Section **49-12-701** is amended to read:

633 **49-12-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**
634 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**
635 **reemployment.**

636 (1) Any member of this system may retire and receive the allowance allowed under
637 Subsection (2) if the member meets the following requirements as of the member's retirement
638 date:

639 (a) the member is eligible for retirement under Section **49-12-401**, or has 25 years of
640 service credit;

641 (b) the member elects to forfeit any stipend for retirement offered by the participating
642 employer; and

643 (c) the member elects to retire from this system by applying for retirement by the date
644 established under Subsection (3)(a) or (3)(b).

645 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's

646 final average salary for all years of service credit.

647 (b) An actuarial reduction may not be applied to the allowance granted under this
648 section.

649 (3) In order to receive the allowance allowed by this section, a member shall submit an
650 application to the office as follows:

651 (a) (i) For state and school employees under Level A, the application shall be filed by
652 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th
653 day of July, August, or September, 1987.

654 (ii) If a Level A member elects to retire, the executive director or participating
655 employer may request the member to delay the retirement date until a later date, but no later
656 than June 30, 1988.

657 (iii) If the member agrees to delay the retirement date, the retirement date shall be
658 delayed, but service credit may not be accrued after the member's original retirement date
659 elected by the member, and compensation earned after the member's original retirement date
660 may not be used in the calculation of the final average salary for determining the retirement
661 allowance.

662 (b) (i) For political subdivision employees under Level B, the application shall be filed
663 by September 30, 1987.

664 (ii) The retirement date shall then be set by the member on the 1st or 16th day of July,
665 August, September, October, November, or December, 1987.

666 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal
667 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the
668 retirement contribution rate increase established by the consulting actuary and approved by the
669 board.

670 (b) The cost of providing the allowance under this section shall be funded beginning
671 July 1, 1988, by means of an increase in the retirement contribution rate established by the
672 consulting actuary and approved by the board.

673 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

674 (i) for state employees, by an appropriation from the account established by the
675 Division of Finance under Subsection (4)(d), which is funded by savings derived from this
676 early retirement incentive and a work force reduction;

677 (ii) for school employees, by direct contributions from the employing unit, which may
678 not be funded through an increase in the retirement contribution amount established in Title
679 53A, Chapter 17a, Minimum School Program Act; and

680 (iii) for political subdivisions under Level B, by direct contributions by the
681 participating employer.

682 (d) (i) Each year, any excess savings derived from this early retirement incentive which
683 are above the costs of funding the increase and the costs of paying insurance, sick leave,
684 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported
685 to the Legislature and shall be appropriated as provided by law.

686 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an
687 account into which all savings derived from this early retirement incentive shall be deposited as
688 the savings are realized.

689 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the
690 amount of savings derived from this early retirement incentive.

691 (iv) The State Office of Education and the participating employer may not spend the
692 savings until appropriated by the Legislature as provided by law.

693 (5) A member who retires under this section is subject to ~~[Sections]~~ Section 49-11-504
694 and [49-11-505] Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

695 (6) The board may adopt rules to administer this section.

696 (7) The Legislative Auditor General shall perform an audit to ensure compliance with
697 this section.

698 Section 14. Section **49-13-401** is amended to read:

699 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

700 (1) A member is qualified to receive an allowance from this system when:

701 (a) except as provided under Subsection (3), the member ceases actual work for every

702 participating employer that employs the member before the member's retirement date and
703 provides evidence of the termination;

704 (b) the member has submitted to the office a retirement application form that states the
705 member's proposed retirement date; and

706 (c) one of the following conditions is met as of the member's retirement date:

707 (i) the member has accrued at least four years of service credit and has attained an age
708 of 65 years;

709 (ii) the member has accrued at least 10 years of service credit and has attained an age
710 of 62 years;

711 (iii) the member has accrued at least 20 years of service credit and has attained an age
712 of 60 years;

713 (iv) the member has accrued at least 30 years of service credit; or

714 (v) the member has accrued at least 25 years of service credit, in which case the
715 member shall be subject to the reduction under Subsection [49-13-402\(2\)\(b\)](#).

716 (2) (a) The member's retirement date:

717 (i) shall be the 1st or the 16th day of the month, as selected by the member;

718 (ii) shall be on or after the date of termination; and

719 (iii) may not be more than 90 days before or after the date the application is received by
720 the office.

721 (b) Except as provided under Subsection (3), a member may not be employed by a
722 participating employer in the system established by this chapter on the retirement date selected
723 under Subsection (2)(a)(i).

724 (3) (a) A member who is employed by a participating employer and who is also an
725 elected official is not required to cease service as an elected official to be qualified to receive
726 an allowance under Subsection (1), unless the member is retiring from service as an elected
727 official.

728 (b) A member who is employed by a participating employer and who is also a part-time
729 appointed board member is not required to cease service as a part-time appointed board

730 member to be qualified to receive an allowance under Subsection (1).

731 (c) A member who is employed by a participating employer, who is also an affiliated
732 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
733 a different agency, is not required to cease service as an affiliated emergency services worker to
734 be qualified to receive an allowance under Subsection (1).

735 Section 15. Section **49-13-701** is amended to read:

736 **49-13-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**
737 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**
738 **reemployment.**

739 (1) Any member of this system may retire and receive the allowance allowed under
740 Subsection (2) if the member meets the following requirements as of the member's retirement:

741 (a) the member is eligible for retirement under Section 49-13-401, or has 25 years of
742 service credit;

743 (b) the member elects to forfeit any stipend for retirement offered by the participating
744 employer; and

745 (c) the member elects to retire from this system by applying for retirement by the date
746 established under Subsection (3)(a) or (3)(b).

747 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's
748 final average salary for all years of service credit.

749 (b) No actuarial reduction may be applied to the allowance granted under this section.

750 (3) In order to receive the allowance allowed by this section, a member shall submit an
751 application to the office as follows:

752 (a) (i) For state and school employees under Level A, the application shall be filed by
753 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th
754 day of July, August, or September, 1987.

755 (ii) If a Level A member elects to retire, the executive director or participating
756 employer may request the member to delay the retirement date until a later date, but no later
757 than June 30, 1988.

758 (iii) If the member agrees to delay the retirement date, the retirement date shall be
759 delayed, but service credit may not be accrued after the member's original retirement date
760 elected by the member, and compensation earned after the member's original retirement date
761 may not be used in the calculation of the final average salary for determining the retirement
762 allowance.

763 (b) (i) For political subdivision employees under Level B, the application shall be filed
764 by September 30, 1987.

765 (ii) The member's retirement date shall then be set by the member on the 1st or 16th
766 day of July, August, September, October, November, or December, 1987.

767 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal
768 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the
769 retirement contribution rate increase established by the consulting actuary and approved by the
770 board.

771 (b) The cost of providing the allowance under this section shall be funded beginning
772 July 1, 1988, by means of an increase in the retirement contribution rate established by the
773 consulting actuary and approved by the board.

774 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

775 (i) for state employees, by an appropriation from the account established by the
776 Division of Finance under Subsection (4)(d), which is funded by savings derived from this
777 early retirement incentive and a work force reduction;

778 (ii) for school employees, by direct contributions from the employing unit, which may
779 not be funded through an increase in the retirement contribution amount established in Title
780 53A, Chapter 17a, Minimum School Program Act; and

781 (iii) for political subdivisions under Level B, by direct contributions by the
782 participating employer.

783 (d) (i) Each year, any excess savings derived from this early retirement incentive which
784 are above the costs of funding the increase and the costs of paying insurance, sick leave,
785 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported

786 to the Legislature and shall be appropriated as provided by law.

787 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an
788 account into which all savings derived from this early retirement incentive shall be deposited as
789 the savings are realized.

790 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the
791 amount of savings derived from this early retirement incentive.

792 (iv) The State Office of Education and the participating employer may not spend the
793 savings until appropriated by the Legislature as provided by law.

794 (5) A member who retires under this section is subject to [~~Sections~~] Section 49-11-504
795 and [~~49-11-505~~] Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

796 (6) The board may make rules to administer this section.

797 (7) The Legislative Auditor General shall perform an audit to ensure compliance with
798 this section.

799 Section 16. Section **49-14-401** is amended to read:

800 **49-14-401. Eligibility for service retirement -- Date of retirement --**

801 **Qualifications.**

802 (1) A member is qualified to receive an allowance from this system when:

803 (a) except as provided under Subsection (3), the member ceases actual work for every
804 participating employer that employs the member before the member's retirement date and
805 provides evidence of the termination;

806 (b) the member has submitted to the office a retirement application form that states the
807 member's proposed retirement date; and

808 (c) one of the following conditions is met as of the member's retirement date:

809 (i) the member has accrued at least 20 years of service credit;

810 (ii) the member has accrued at least 10 years of service credit and has attained an age
811 of 60 years; or

812 (iii) the member has accrued at least four years of service credit and has attained an age
813 of 65 years.

814 (2) (a) The member's retirement date:
815 (i) shall be the 1st or the 16th day of the month, as selected by the member;
816 (ii) shall be on or after the date of termination; and
817 (iii) may not be more than 90 days before or after the date the application is received by
818 the office.

819 (b) Except as provided under Subsection (3), a member may not be employed by a
820 participating employer in the system established by this chapter on the retirement date selected
821 under Subsection (2)(a)(i).

822 (3) (a) A member who is employed by a participating employer and who is also an
823 elected official is not required to cease service as an elected official to be qualified to receive
824 an allowance under Subsection (1), unless the member is retiring from service as an elected
825 official.

826 (b) A member who is employed by a participating employer and who is also a part-time
827 appointed board member is not required to cease service as a part-time appointed board
828 member to be qualified to receive an allowance under Subsection (1).

829 (c) A member who is employed by a participating employer, who is also an affiliated
830 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
831 a different agency, is not required to cease service as an affiliated emergency services worker to
832 be qualified to receive an allowance under Subsection (1).

833 Section 17. Section **49-15-401** is amended to read:

834 **49-15-401. Eligibility for service retirement -- Date of retirement --**

835 **Qualifications.**

836 (1) A member is qualified to receive an allowance from this system when:

837 (a) except as provided under Subsection (3), the member ceases actual work for every
838 participating employer that employs the member before the member's retirement date and
839 provides evidence of the termination;

840 (b) the member has submitted to the office a retirement application form that states the
841 member's proposed retirement date; and

- 842 (c) one of the following conditions is met as of the member's retirement date:
- 843 (i) the member has accrued at least 20 years of service credit;
- 844 (ii) the member has accrued at least 10 years of service credit and has attained an age
845 of 60 years; or
- 846 (iii) the member has accrued at least four years of service and has attained an age of 65
847 years.
- 848 (2) (a) The member's retirement date:
- 849 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 850 (ii) shall be on or after the date of termination; and
- 851 (iii) may not be more than 90 days before or after the date the application is received by
852 the office.
- 853 (b) Except as provided under Subsection (3), a member may not be employed by a
854 participating employer in the system established by this chapter on the retirement date selected
855 under Subsection (2)(a)(i).
- 856 (3) (a) A member who is employed by a participating employer and who is also an
857 elected official is not required to cease service as an elected official to be qualified to receive
858 an allowance under Subsection (1), unless the member is retiring from service as an elected
859 official.
- 860 (b) A member who is employed by a participating employer and who is also a part-time
861 appointed board member is not required to cease service as a part-time appointed board
862 member to be qualified to receive an allowance under Subsection (1).
- 863 (c) A member who is employed by a participating employer, who is also an affiliated
864 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
865 a different agency, is not required to cease service as an affiliated emergency services worker to
866 be qualified to receive an allowance under Subsection (1).
- 867 Section 18. Section **49-16-203** is amended to read:
- 868 **49-16-203. Exemption of certain employees from coverage -- Exception.**
- 869 (1) A firefighter service employee serving as the chief of any fire department or district

870 is excluded from coverage under this system if that firefighter service employee files a formal
871 written request seeking exemption.

872 (2) The chief of any fire department or district who retires from that position shall
873 comply with the provisions of [Sections] Section 49-11-504 and [~~49-11-505~~] Chapter 11, Part
874 12, Postretirement Reemployment Restrictions Act, upon reemployment by the participating
875 employer.

876 Section 19. Section **49-16-401** is amended to read:

877 **49-16-401. Eligibility for service retirement -- Date of retirement --**

878 **Qualifications.**

879 (1) A member is qualified to receive an allowance from this system when:

880 (a) except as provided under Subsection (3), the member ceases actual work for every
881 participating employer that employs the member before the member's retirement date and
882 provides evidence of the termination;

883 (b) the member has submitted to the office a retirement application form that states the
884 member's proposed retirement date; and

885 (c) one of the following conditions is met as of the member's retirement date:

886 (i) the member has accrued at least 20 years of service credit;

887 (ii) the member has accrued at least 10 years of service credit and has attained an age
888 of 60 years; or

889 (iii) the member has accrued at least four years of service credit and has attained an age
890 of 65 years.

891 (2) (a) The member's retirement date:

892 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service
893 employee;

894 (ii) shall be on or after the date of termination; and

895 (iii) may not be more than 90 days before or after the date the application is received by
896 the office.

897 (b) Except as provided under Subsection (3), a member may not be employed by a

898 participating employer in the system established by this chapter on the retirement date selected
899 under Subsection (2)(a)(i).

900 (3) (a) A member who is employed by a participating employer and who is also an
901 elected official is not required to cease service as an elected official to be qualified to receive
902 an allowance under Subsection (1), unless the member is retiring from service as an elected
903 official.

904 (b) A member who is employed by a participating employer and who is also a part-time
905 appointed board member is not required to cease service as a part-time appointed board
906 member to be qualified to receive an allowance under Subsection (1).

907 (c) A member who is employed by a participating employer, who is also an affiliated
908 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for
909 a different agency, is not required to cease service as an affiliated emergency services worker to
910 be qualified to receive an allowance under Subsection (1).

911 Section 20. Section **49-22-304** is amended to read:

912 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**
913 **Qualifications.**

914 (1) A member is qualified to receive an allowance from this system when:

915 (a) except as provided under Subsection (3), the member ceases actual work for every
916 participating employer that employs the member before the member's retirement date and
917 provides evidence of the termination;

918 (b) the member has submitted to the office a retirement application form that states the
919 member's proposed retirement date; and

920 (c) one of the following conditions is met as of the member's retirement date:

921 (i) the member has accrued at least four years of service credit and has attained an age
922 of 65 years;

923 (ii) the member has accrued at least 10 years of service credit and has attained an age
924 of 62 years;

925 (iii) the member has accrued at least 20 years of service credit and has attained an age

926 of 60 years; or

927 (iv) the member has accrued at least 35 years of service credit.

928 (2) (a) The member's retirement date:

929 (i) shall be the 1st or the 16th day of the month, as selected by the member;

930 (ii) shall be on or after the date of termination; and

931 (iii) may not be more than 90 days before or after the date the application is received by
932 the office.

933 (b) Except as provided under Subsection (3), a member may not be employed by a
934 participating employer in the system established by this chapter on the retirement date selected
935 under Subsection (2)(a)(i).

936 (3) (a) A member who is employed by a participating employer and who is also an
937 elected official is not required to cease service as an elected official to be qualified to receive
938 an allowance under Subsection (1), unless the member is retiring from service as an elected
939 official.

940 (b) A member who is employed by a participating employer and who is also a part-time
941 appointed board member is not required to cease service as a part-time appointed board
942 member to be qualified to receive an allowance under Subsection (1).

943 (c) A member who is employed by a participating employer, who is also an affiliated
944 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~ [Section 49-11-1202](#) for
945 a different agency, is not required to cease service as an affiliated emergency services worker to
946 be qualified to receive an allowance under Subsection (1).

947 Section 21. Section **49-23-303** is amended to read:

948 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**
949 **Qualifications.**

950 (1) A member is qualified to receive an allowance from this system when:

951 (a) except as provided under Subsection (3), the member ceases actual work for every
952 participating employer that employs the member before the member's retirement date and
953 provides evidence of the termination;

954 (b) the member has submitted to the office a retirement application form that states the
955 member's proposed retirement date; and

956 (c) one of the following conditions is met as of the member's retirement date:

957 (i) the member has accrued at least four years of service credit and has attained an age
958 of 65 years;

959 (ii) the member has accrued at least 10 years of service credit and has attained an age
960 of 62 years;

961 (iii) the member has accrued at least 20 years of service credit and has attained an age
962 of 60 years; or

963 (iv) the member has accrued at least 25 years of service credit.

964 (2) (a) The member's retirement date:

965 (i) shall be the 1st or the 16th day of the month, as selected by the member;

966 (ii) shall be on or after the date of termination; and

967 (iii) may not be more than 90 days before or after the date the application is received by
968 the office.

969 (b) Except as provided under Subsection (3), a member may not be employed by a
970 participating employer in the system established by this chapter on the retirement date selected
971 under Subsection (2)(a)(i).

972 (3) (a) A member who is employed by a participating employer and who is also an
973 elected official is not required to cease service as an elected official to be qualified to receive
974 an allowance under Subsection (1), unless the member is retiring from service as an elected
975 official.

976 (b) A member who is employed by a participating employer and who is also a part-time
977 appointed board member is not required to cease service as a part-time appointed board
978 member to be qualified to receive an allowance under Subsection (1).

979 (c) A member who is employed by a participating employer, who is also an affiliated
980 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~ [Section 49-11-1202](#) for
981 a different agency, is not required to cease service as an affiliated emergency services worker to

982 be qualified to receive an allowance under Subsection (1).

983 Section 22. Section **67-19-43** is amended to read:

984 **67-19-43. State employee matching supplemental defined contribution benefit.**

985 (1) As used in this section:

986 (a) "Qualifying account" means:

987 (i) a defined contribution plan qualified under Section 401(k) of the Internal Revenue
988 Code, which is sponsored by the Utah State Retirement Board; or

989 (ii) a deemed Individual Retirement Account authorized under the Internal Revenue
990 Code, which is sponsored by the Utah State Retirement Board; or

991 (iii) a similar savings plan or account authorized under the Internal Revenue Code,
992 which is sponsored by the Utah State Retirement Board.

993 (b) "Qualifying employee" means an employee who is:

994 (i) in a position that is:

995 (A) receiving retirement benefits under Title 49, Utah State Retirement and Insurance
996 Benefit Act; and

997 (B) accruing paid leave benefits that can be used in the current and future calendar
998 years; and

999 (ii) not an employee who is reemployed as that term is:

1000 (A) defined in Section [~~49-11-102.~~] 49-11-1202; or

1001 (B) used in Section 49-11-504.

1002 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,
1003 2014, an employer shall make a biweekly matching contribution to every qualifying employee's
1004 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject
1005 to federal requirements and limitations, which is sponsored by the Utah State Retirement
1006 Board.

1007 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying
1008 employee shall be eligible to receive the same dollar amount for the contribution under
1009 Subsection (2).

1010 (b) A qualifying employee:
1011 (i) shall receive the contribution amount determined under Subsection (3)(c) if the
1012 qualifying employee makes a voluntary personal contribution to one or more qualifying
1013 accounts in an amount equal to or greater than the employer's contribution amount determined
1014 in Subsection (3)(c);
1015 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's
1016 personal contribution amount if the employee makes a voluntary personal contribution to one
1017 or more qualifying accounts in an amount less than the employer's contribution amount
1018 determined in Subsection (3)(c); or
1019 (iii) may not receive a contribution under Subsection (2) if the qualifying employee
1020 does not make a voluntary personal contribution to a qualifying account.
1021 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall
1022 annually determine the contribution amount that an employer shall provide to each qualifying
1023 employee under Subsection (2).
1024 (ii) The department shall make recommendations annually to the Legislature on the
1025 contribution amount required under Subsection (2), in consultation with the Governor's Office
1026 of Management and Budget and the Division of Finance.
1027 (iii) The biweekly matching contribution amount required under Subsection (2) may
1028 not exceed \$26 for each qualifying employee.
1029 (4) A qualifying employee is eligible to receive the biweekly contribution under this
1030 section for any pay period in which the employee is in a paid status or other status protected by
1031 federal or state law.
1032 (5) The employer and employee contributions made and related earnings under this
1033 section vest immediately upon deposit and can be withdrawn by the employee at any time,
1034 subject to Internal Revenue Code regulations on the withdrawals.
1035 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1036 executive director shall make rules establishing procedures to implement the provisions of this
1037 section.

1038 Section 23. **Repealer.**

1039 This bill repeals:

1040 Section [49-11-505](#), **Reemployment of a retiree -- Restrictions.**

1041 Section 24. **Coordinating H.B. 51 with S.B. 19 -- Technical renumbering and**
1042 **substantive amendments.**

1043 If this H.B. 51 and S.B. 19, Phased Retirement, both pass and become law, it is the
1044 intent of the Legislature that the Office of Legislative Research and General Counsel prepare
1045 the Utah Code database for publication by:

1046 (1) renumbering Part 12, Phased Retirement, enacted by S.B. 19 to Part 13, Phased
1047 Retirement, and renumber and change all references from Part 12 to Part 13 accordingly;

1048 (2) changing the reference to "Section [49-11-505](#)" in Section [49-11-1202](#) enacted in
1049 S.B. 19, which will be technically renumbered to Section [49-11-1302](#), to "Section
1050 [49-11-1204](#)";

1051 (3) changing the reference to "Subsection [49-11-505\(3\)\(a\)](#)" in Section [49-11-1206](#)
1052 enacted in S.B. 19, which will be technically renumbered to Section [49-11-1306](#), to
1053 "Subsection [49-11-1204\(2\)](#)"; and

1054 (4) modifying Subsection [49-11-1202\(4\)\(b\)](#) enacted by H.B. 51 to read:

1055 "(b) does not include a person:

1056 (i) (A) who was reemployed by a participating employer before July 1, 2010; and

1057 (B) whose participating employer that reemployed the person under Subsection
1058 (4)(b)(i)(A) was dissolved, consolidated, merged, or structurally changed in accordance with
1059 Section [49-11-621](#) on or after July 1, 2010; or

1060 (ii) does not include a person who is working under a phased retirement agreement in
1061 accordance with Title 49, Chapter 11, Part 13, Phased Retirement."