

PHASED RETIREMENT AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies the Utah State Retirement and Insurance benefit act by amending provisions relating to phased retirement.

Highlighted Provisions:

This bill:

- ▶ amends definitions;
- ▶ modifies the application procedures for a phased retirement agreement;
- ▶ modifies provisions regarding the beginning and termination periods for phased retirement employment; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

49-11-1301 (Effective 01/01/17), as enacted by Laws of Utah 2016, Chapter 280

49-11-1303 (Effective 01/01/17), as enacted by Laws of Utah 2016, Chapter 280

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

Section 1. Section **49-11-1301 (Effective 01/01/17)** is amended to read:

49-11-1301 (Effective 01/01/17). Definitions.

As used in this part:

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

(2) "Full-time" means a:

33 (a) regular full-time employee whose term of employment for a participating employer
34 contemplates continued employment during a fiscal or calendar year and whose employment
35 normally requires an average of 40 hours or more per week and who receives benefits normally
36 provided by the participating employer;

37 (b) teacher whose term of employment for a participating employer contemplates
38 continued employment during a school year and who teaches full time;

39 (c) firefighter service employee whose employment normally requires an average of
40 2,080 hours of regularly scheduled firefighter service per year; and

41 (d) public safety service employee whose employment normally requires an average of
42 2,080 hours of regularly scheduled public safety service per year.

43 (3) "Half-time" means a:

44 (a) regular employee whose term of employment for a participating employer
45 contemplates continued employment during a fiscal or calendar year and whose employment
46 normally requires an average of 20 hours per week and who receives benefits normally
47 provided by the participating employer;

48 (b) teacher whose term of employment for a participating employer contemplates
49 continued employment during a school year and who teaches half time;

50 (c) firefighter service employee whose employment normally requires an average of
51 1,040 hours of regularly scheduled firefighter service per year; and

52 (d) public safety service employee whose employment normally requires an average of
53 1,040 hours of regularly scheduled public safety service per year.

54 (4) "Phased retirement" means continuing employment on a half-time basis of a retiree
55 with the same participating employer [~~immediately after~~] following the retiree's retirement date
56 while the retiree receives a reduced retirement allowance.

57 Section 2. Section **49-11-1303 (Effective 01/01/17)** is amended to read:

58 **49-11-1303 (Effective 01/01/17). Phased retirement -- Eligibility -- Restrictions --**
59 **Amortization rate.**

60 (1) A retiree is eligible for employment with only one position for only one
61 participating employer under phased retirement following the retiree's retirement date if:

62 (a) the retiree:

63 (i) is eligible to retire and retires in accordance with this title;

64 (ii) has been employed full time, for not less than four years immediately before the
65 retiree's retirement date;

66 (iii) completes and submits all required retirement forms to the office; and

67 ~~[(iv) completes and submits any phased retirement forms required by rules established~~
68 ~~under Section 49-11-1308; and]~~

69 (iv) prior to the retiree's retirement date, completes and submits all required phased
70 retirement forms to the office; and

71 (b) the retiree and the participating employer enter into an agreement described under
72 Section 49-11-1304.

73 (2) A retiree shall begin phased retirement employment after the retiree's retirement
74 date but no later than 120 days after the retiree's retirement date.

75 ~~[(2)]~~ (3) For the period of the phased retirement:

76 (a) the retiree receives 50% of the retiree's monthly allowance;

77 (b) the participating employer employs the retiree on a half-time basis;

78 (c) a participating employer that employs the retiree shall contribute to the office the
79 amortization rate;

80 (d) the retiree or an alternate payee may not receive an annual cost-of-living adjustment
81 to the retiree's or alternate payee's allowance;

82 (e) any death benefits payable to a surviving spouse or other beneficiary shall be paid
83 based on 100% of the retiree's retirement allowance;

84 (f) the retiree may not receive any employer provided retirement benefits, service credit
85 accruals, or any retirement related contributions from the participating employer; and

86 (g) except as specified under this section, a retiree working under phased retirement
87 shall be treated in the same manner as any other part-time employee working a similar position
88 and number of hours with the participating employer, including:

89 (i) any non-retirement related benefits;

90 (ii) leave benefits;

91 (iii) medical benefits; and

92 (iv) other benefits.

93 (4) The office shall begin paying 100% of the retiree's retirement allowance on the first
94 day of the month following the month in which the office receives written notification and any

95 required supporting documentation that the retiree's phased retirement has been irrevocably
96 terminated.

97 Section 3. **Effective date.**

98 If approved by two-thirds of all the members elected to each house, this bill takes effect
99 upon approval by the governor, or the day following the constitutional time limit of Utah
100 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
101 the date of veto override.