

Postretirement Reemployment for Emergency Services Workers

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Cheryl K. Acton

LONG TITLE

General Description:

This bill modifies provisions of the Utah State Retirement and Insurance Benefits Act relating to postretirement reemployment.

Highlighted Provisions:

This bill:

- modifies the earnings limit for postretirement reemployment as an affiliated emergency services worker; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

49-11-1205, as last amended by Laws of Utah 2024, Chapter 405

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

Section 1. Section **49-11-1205** is amended to read:

49-11-1205 . Postretirement reemployment restriction exceptions.

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

- (i) the retiree is not reemployed by a participating employer for a period of at least 60 days from the retiree's retirement date;
- (ii) the retiree has a bona fide termination of employment on the retiree's retirement date;

- (iii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree does not receive any employer paid benefits, including:
- (A) retirement service credit or retirement-related contributions;
 - (B) medical benefits;
 - (C) dental benefits;
 - (D) other insurance benefits except for workers' compensation as provided under Title 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease Act, and withholdings required by federal or state law for social security, Medicare, and unemployment insurance; or
 - (E) paid time off, including sick, annual, or other type of leave; and
- (iv)(A) the retiree does not earn in any calendar year of reemployment an amount in excess of the lesser of \$15,000 or one-half of the retiree's final average salary upon which the retiree's retirement allowance is based; or
- (B) the retiree is reemployed as a judge as defined under Section 78A-11-102.
- (b) The board shall adjust the amounts under Subsection (1)(a)(iv) by the annual change in the Consumer Price Index during the previous calendar year as measured by a United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.
- (2) A retiree shall be considered as having completed the one-year separation from employment with a participating employer described in Section 49-11-1204, if the retiree:
- (a) before retiring:
 - (i) was employed with a participating employer as a public safety service employee as defined in Section 49-14-102, 49-15-102, or 49-23-102;
 - (ii) during the employment under Subsection (2)(a)(i), suffered a physical injury resulting from external force or violence while performing the duties of the employment, for which injury the retiree would have been approved for total disability in accordance with the provisions under Chapter 21, Public Employees' Long-Term Disability Act, if years of service are not considered;
 - (iii) had less than 30 years of service credit but had sufficient service credit to retire, with an unreduced allowance making the public safety service employee ineligible for long-term disability payments under Chapter 21, Public Employees' Long-Term Disability Act, or a substantially similar long-term disability program;
 - (iv) does not receive any long-term disability benefits from any participating

- 63 employer; and
- 64 (v) is at least 50 years old; and
- 65 (b) is reemployed by a different participating employer.
- 66 (3)(a) The office may not cancel the retirement allowance of a retiree who is employed
- 67 as an affiliated emergency services worker within one year of the retiree's retirement
- 68 date if the affiliated emergency services worker does not receive any compensation,
- 69 except for:
- 70 ~~[(i) a nominal fee, stipend, discount, tax credit, voucher, or other fixed sum of money~~
- 71 ~~or cash equivalent payment not tied to productivity and paid periodically for~~
- 72 ~~services;]~~
- 73 ~~[(ii) a length-of-service award;]~~
- 74 (i) compensation, including any payment, discount, tax credit, voucher, or cash
- 75 equivalent, the total of which, excluding any amount described in Subsection
- 76 (3)(a)(ii) or (iii), does not exceed in any calendar year the amount described in
- 77 Subsection (1)(a)(iv)(A), as adjusted in accordance with Subsection (1)(b);
- 78 ~~[(iii)]~~ (ii) insurance policy premiums paid by the participating employer in the event
- 79 of death of an affiliated emergency services worker or a line-of-duty accidental
- 80 death or disability; or
- 81 ~~[(iv)]~~ (iii) reimbursement of expenses incurred in the performance of duties.
- 82 ~~[(b) For purposes of Subsections (3)(a)(i) and (ii), the total amount of any discounts, tax~~
- 83 ~~credits, vouchers, and payments to an affiliated emergency services worker may not~~
- 84 ~~exceed \$500 per month.]~~
- 85 ~~[(c) The board shall adjust the amount under Subsection (3)(b) by the annual change in~~
- 86 ~~the Consumer Price Index during the previous calendar year as measured by a United~~
- 87 ~~States Bureau of Labor Statistics Consumer Price Index average as determined by the~~
- 88 ~~board.]~~
- 89 ~~[(d)]~~ (b) A retiree is eligible for an exemption from the requirement to cease service
- 90 without cancellation of a retirement allowance under this Subsection (3) only if the
- 91 retiree, at the time of retirement, is at least:
- 92 (i) 50 years old, if the retiree is retiring from a public safety system or a firefighter
- 93 system; or
- 94 (ii) 55 years old.
- 95 (4)(a) The office may not cancel the retirement allowance of a retiree who is employed
- 96 as a part-time appointed or elected board member within one year after the retiree's

97 retirement date if the part-time appointed or elected board member does not receive
98 any compensation exceeding the amount described in this Subsection (4).

99 (b) A retiree who is a part-time appointed or elected board member for one or more
100 boards, commissions, councils, committees, panels, or other bodies of participating
101 employers:

102 (i) may receive an aggregate amount of compensation, remuneration, a stipend, or
103 other benefit for service on a single or multiple boards, commissions, councils,
104 committees, panels, or other bodies of no more than \$5,000 per year; and

105 (ii) may not receive an employer paid retirement service credit or retirement-related
106 contribution.

107 (c) For purposes of Subsection (4)(b)(i):

108 (i) a part-time appointed or elected board member's compensation includes:

109 (A) an amount paid for the part-time appointed or elected board member's

110 coverage in a group insurance plan provided by the participating employer; and

111 (B) the part-time appointed or elected board member's receipt of any other benefit
112 provided by the participating employer; and

113 (ii) the part-time appointed or elected board member's compensation does not include:

114 (A) an amount the participating employer pays for employer-matching

115 employment taxes, if the participating employer treats the part-time appointed
116 or elected board member as an employee for federal tax purposes; or

117 (B) an amount that the part-time appointed or elected board member receives for
118 per diem and travel expenses for up to 12 approved meetings or activities of
119 the government board per year, if the per diem and travel expenses do not
120 exceed the amounts established by the Division of Finance under Sections
121 63A-3-106 and 63A-3-107 or by rules made by the Division of Finance
122 according to Sections 63A-3-106 and 63A-3-107.

123 (d) The board shall adjust the amount under Subsection (4)(b)(i) by the annual change in
124 the Consumer Price Index during the previous calendar year as measured by a United
125 States Bureau of Labor Statistics Consumer Price Index average, as determined by
126 the board.

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

129 (i) the retiree has a bona fide termination of employment on the retiree's retirement
130 date;

- 131 (ii) the retiree is not employed, including by a fee-for-service relationship, with any
132 participating employer for a period of:
133 (A) at least 90 days if the retiree is a public employee retiree; or
134 (B) at least 90 days if the retiree is a public safety or firefighter retiree;
135 (iii) the retiree agrees to a modified retirement allowance as described in Subsections
136 (5)(b), (c), and (d); and
137 (iv) the participating employer that reemploys the retiree agrees to pay to the office
138 the normal cost rate in addition to the amortization rate.
- 139 (b) During a period of reemployment, the retiree:
- 140 (i) receives a retirement allowance that is 20% less than the retirement allowance the
141 retiree is entitled to receive in accordance with:
142 (A) for a retiree who retired under Chapter 12, Public Employees' Contributory
143 Retirement Act, Section 49-12-402;
144 (B) for a retiree who retired under Chapter 13, Public Employees' Noncontributory
145 Retirement Act, Section 49-13-402; or
146 (C) for a retiree who retired under Chapter 22, Part 3, Tier II Hybrid Retirement
147 System, Section 49-22-305; or
- 148 (ii) a retirement allowance that is 15% less than the retirement allowance the retiree is
149 entitled to receive in accordance with:
150 (A) for a retiree who retired under Chapter 14, Public Safety Contributory
151 Retirement Act, Section 49-14-402;
152 (B) for a retiree who retired under Chapter 15, Public Safety Noncontributory
153 Retirement Act, Section 49-15-402;
154 (C) for a retiree who retired under Chapter 16, Firefighters' Retirement Act,
155 Section 49-16-402; or
156 (D) for a retiree who retired under Chapter 23, Part 3, Tier II Hybrid Retirement
157 System, Section 49-23-304.
- 158 (c) During the period of reemployment, the retiree does not receive the annual
159 cost-of-living adjustment described in:
160 (i) for a retiree who retired under Chapter 12, Public Employees' Contributory
161 Retirement Act, Section 49-12-407;
162 (ii) for a retiree who retired under Chapter 13, Public Employees' Noncontributory
163 Retirement Act, Section 49-13-407;
164 (iii) for a retiree who retired under Chapter 14, Public Safety Contributory

- 165 Retirement Act, Section 49-14-403;
- 166 (iv) for a retiree who retired under Chapter 15, Public Safety Noncontributory
- 167 Retirement Act, Section 49-15-403;
- 168 (v) for a retiree who retired under Chapter 16, Firefighters' Retirement Act, Section
- 169 49-16-403;
- 170 (vi) for a retiree who retired under Chapter 22, Part 3, Tier II Hybrid Retirement
- 171 System, Section 49-22-308; or
- 172 (vii) for a retiree who retired under Chapter 23, Part 3, Tier II Hybrid Retirement
- 173 System, Section 49-23-307.
- 174 (d)(i) The office shall begin paying the retiree's full retirement allowance on the first
- 175 day of the month following the month in which the office receives written
- 176 notification that the reemployed retiree has a subsequent retirement date based on
- 177 a termination of the reemployment.
- 178 (ii)(A) For purposes of Subsection (5)(d)(i), the full retirement allowance includes
- 179 the elimination of the allowance reduction described in Subsection (5)(b)(i) or
- 180 (5)(b)(ii) and the annual cost-of-living adjustment that was prohibited under
- 181 Subsection (5)(c) during the period of reemployment.
- 182 (B) A retiree may not receive the difference between the full retirement allowance
- 183 and the reduced retirement allowance described in Subsection (5)(b)(i) or
- 184 (5)(b)(ii) or the annual cost-of-living adjustment that the retiree would have
- 185 received if the retiree had not been reemployed.
- 186 (6)(a) If a retiree is reemployed under the provisions of Subsection (1) or (4), the
- 187 termination date of the reemployment, as confirmed in writing by the participating
- 188 employer, is considered the retiree's retirement date for the purpose of calculating the
- 189 separation requirement described in Section 49-11-1204.
- 190 (b) The office shall cancel the retirement allowance of a retiree for the remainder of the
- 191 calendar year if the reemployment with a participating employer exceeds the
- 192 limitation under Subsection (1)(a)(iv), [~~(3)(b)~~] (3)(a), or (4)(b).
- 193 (7) A retiree who is reemployed under the provisions of Subsection (5) may not
- 194 subsequently be reemployed under Section 49-11-1204 unless the office cancels the
- 195 retirement allowance during the subsequent reemployment.

196 **Section 2. Effective Date.**

197 This bill takes effect on July 1, 2025.