

**Retirement Amendments**  
2025 GENERAL SESSION  
STATE OF UTAH  
**Chief Sponsor: Cheryl K. Acton**  
Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**Committee Note:**

The Retirement and Independent Entities Interim Committee recommended this bill.

Legislative Vote: 9 voting for 0 voting against 6 absent

**General Description:**

This bill modifies provisions of the Utah State Retirement and Insurance Benefit Act.

**Highlighted Provisions:**

This bill:

- modifies record retention requirements for a participating employer in the Utah

Retirement Systems;

- amends provisions relating to an entity eligible to withdraw from participation in the Utah

Retirement Systems; and

- repeals a section that allows PEHP Health and Benefits to implement a prescribing policy

for certain opioid prescriptions.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**49-11-602 (Effective 07/01/25)**, as last amended by Laws of Utah 2024, Chapter 421

**49-11-623 (Effective 07/01/25)**, as last amended by Laws of Utah 2015, Chapter 364

**49-11-626 (Effective 07/01/25)**, as last amended by Laws of Utah 2023, Chapter 512

REPEALS:

**49-20-415**, as last amended by Laws of Utah 2024, Chapter 381

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

Section 1. Section **49-11-602** is amended to read:

- 31           **49-11-602 (Effective 07/01/25). Participating employer to maintain records --**  
32 **Time limit -- Penalties for failure to comply.**
- 33 (1) A participating employer shall:
- 34       (a) maintain records necessary to calculate benefits under this title and other records  
35           necessary for proper administration of this title as required by the office; and
- 36       (b) maintain records that indicate whether an employee is receiving:
- 37           (i) a benefit under state or federal law that, under Subsection 49-12-102(1)(b)(vi) or  
38               (vii), is excluded from the definition of benefits normally provided for purposes of  
39           Chapter 12, Public Employees' Contributory Retirement Act, Chapter 13, Public  
40           Employees' Noncontributory Retirement Act, or Chapter 22, New Public  
41           Employees' Tier II Contributory Retirement Act; or
- 42           (ii) a benefit under a benefit package generally offered to similarly situated  
43           employees.
- 44 (2) A participating employer shall maintain all records necessary to support the  
45       participating employer's reports and certifications required by Section 49-11-603.
- 46 (3) A participating employer shall maintain the records required under Subsections (1) and  
47       (2) until the earliest of:
- 48       (a) [~~three~~] four years after the date of retirement of the employee from a system or plan;  
49       (b) [~~three~~] four years after the date of death of the employee; or  
50       (c) 65 years from the date of employment with the participating employer.
- 51 (4) A participating employer shall be liable to the office for:
- 52       (a) any liabilities and expenses, including administrative expenses and the cost of  
53           increased benefits to members, resulting from the participating employer's failure to  
54           maintain records under this section; and
- 55       (b) a penalty equal to 1% of the participating employer's last month's contributions.
- 56 (5) The executive director may waive all or any part of the interest, penalties, expenses, and  
57       fees if the executive director finds there were extenuating circumstances surrounding the  
58       participating employer's failure to comply with this section.
- 59 (6) The office may estimate the length of service, compensation, or age of any member, if  
60       that information is not contained in the records.
- 61 (7)(a) A participating employer shall enroll an employee, make reports, submit  
62       contributions, and provide other requested information electronically in a manner  
63       approved by the office.
- 64       (b) A participating employer shall treat any information provided electronically or

65 otherwise by the office as subject to the confidentiality provisions of this title.

66 Section 2. Section **49-11-623** is amended to read:

67 **49-11-623 (Effective 07/01/25). Withdrawing entity -- Participation election date**  
68 **-- Withdrawal costs -- Rulemaking.**

69 (1) As used in this section, "withdrawing entity" means an entity that:

70 (a) participates in a system or plan under this title prior to July 1, 2014;

71 (b) provides mental health and substance abuse services for a county under Section  
72 17-50-318;

73 (c) after beginning participation with a system or plan under this title, has modified its  
74 federal tax status to a nonprofit organization that qualifies under Section 501(c)(3) of  
75 the Internal Revenue Code; and

76 (d) is not a state institution of higher education as described in Section 53B-2-101.

77 (2) Notwithstanding any other provision of this title, a withdrawing entity may provide for  
78 the participation of its employees with that system or plan as follows:

79 (a) the withdrawing entity shall determine a date that is no later than January 1, 2017, on  
80 which the withdrawing entity shall make an election under Subsection (3); and

81 (b) subject to the provisions of Subsection (6), the withdrawing entity shall pay to the  
82 office any reasonable actuarial and administrative costs determined by the office to  
83 have arisen out of an election made under this section, including an actuarially  
84 determined short-fall liability contribution and a contingency payment to provide  
85 financial protection to the remaining participating employers.

86 (3) The withdrawing entity described under Subsection (2) may elect to:

87 (a)(i) continue its participation for all current employees of the withdrawing entity,  
88 who are covered by a system or plan as of the date set under Subsection (2)(a); and

89 (ii) withdraw from participation in all systems or plans for all persons initially  
90 entering employment with the withdrawing entity, beginning on the date set under  
91 Subsection (2)(a); or

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

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

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

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

- 99 (iii) is irrevocable; and
- 100 (iv) applies to the withdrawing entity as the employer and to all employees of the  
101 withdrawing entity.
- 102 (b) Notwithstanding an election made under Subsection (3), any eligibility for service  
103 credit earned by an employee under this title before the date specified under  
104 Subsection (2)(a) is not affected by this section.
- 105 (5) If a withdrawing entity elects to continue participation under Subsection (3), the  
106 withdrawing entity shall continue to be subject to the laws and the rules governing the  
107 system or plan in which an employee participates, including the accrual of service credit  
108 and payment of contributions.
- 109 (6) Before a withdrawing entity may withdraw under this section, the withdrawing entity  
110 and the office shall enter into an agreement on:
- 111 (a) the costs described under Subsection (2)(b); and  
112 (b) arrangements for the payment of the costs described under Subsection (2)(b).
- 113 (7) The board shall make rules to implement this section.
- 114 Section 3. Section **49-11-626** is amended to read:
- 115 **49-11-626 (Effective 07/01/25). Withdrawing entity -- Participation election date**  
116 **-- Withdrawal costs -- Rulemaking.**
- 117 (1) As used in this section, "withdrawing entity" means an entity that:
- 118 (a) participates in a system or plan under this title before January 1, 2023; and  
119 (b)(i) is a public employees' association;  
120 (ii) is an insurer that is subject to the disclosure requirements of Section 31A-4-113;  
121 or  
122 (iii) after beginning participation with a system or plan under this title, has modified  
123 the entity's federal tax status to a nonprofit organization that qualified under  
124 Section 501(c)(3) of the Internal Revenue Code.
- 125 (2) Notwithstanding any other provision of this title, a withdrawing entity may provide for  
126 the participation of the withdrawing entity's employees with that system or plan as  
127 follows:
- 128 (a) the withdrawing entity shall determine a date that is no later than July 1, [2025] 2028,  
129 on which the withdrawing entity shall make an election and complete withdrawal  
130 under Subsection (3);  
131 (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's  
132 intent to enter into an agreement described in Subsection (2)(c);

- 133 (c) the withdrawing entity and the office may enter into an intent to withdraw agreement  
134 to document a good faith arrangement to complete a withdrawal under this section;  
135 and
- 136 (d) subject to Subsection (6), the withdrawing entity shall pay to the office any  
137 reasonable actuarial and administrative costs determined by the office to have arisen  
138 out of an election made under this section.
- 139 (3) The withdrawing entity may elect to:
- 140 (a)(i) continue the withdrawing entity's participation for all current employees of the  
141 withdrawing entity, who are covered by a system or plan on the date set under  
142 Subsection (2)(a); and
- 143 (ii) withdraw from participation in all systems and plans for all persons initially  
144 entering employment with the withdrawing entity, beginning on the date set under  
145 Subsection (2)(a); or
- 146 (b) withdraw from participation in all systems or plans for all current and future  
147 employees of the withdrawing entity, beginning on the date set under Subsection  
148 (2)(a).
- 149 (4)(a) An election made under Subsection (3):
- 150 (i) shall be made on or before the date specified under Subsection (2)(a);  
151 (ii) shall be documented by a resolution adopted by the governing body of the  
152 withdrawing entity;
- 153 (iii) remains in effect unless and until the withdrawing entity again becomes a  
154 participating employer with the office in accordance with Subsection (5); and  
155 (iv) applies to the withdrawing entity as the employer and to all employees of the  
156 withdrawing entity.
- 157 (b) Notwithstanding an election made under Subsection (3), any eligibility for service  
158 credit earned by an employee under this title before the date specified under  
159 Subsection (2)(a) is not affected by this section.
- 160 (c) Notwithstanding any other provision of this title, a withdrawing entity that makes an  
161 election under Subsection (3) may provide or participate in any type of public or  
162 private retirement for the withdrawing entity's employees after the withdrawal.
- 163 (5) After the withdrawal and subject to the laws and rules governing participating employer  
164 admission, the withdrawing entity may elect, by resolution of the withdrawing entity's  
165 governing body, to resume participation with the office and apply for admission as a  
166 participating employer in a system or plan under this title.

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

169 (a) the costs described under Subsection (2)(d); and

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

171 Section 4. **Repealer.**

172 This bill repeals:

173 Section **49-20-415, Prescribing policies for certain opioid prescriptions.**

174 Section 5. **Effective date.**

175 This bill takes effect on July 1, 2025.