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Retirement Modifications
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Wayne A. Harper
House Sponsor: Cheryl K. Acton

LONG TITLE

General Description:

This bill modifies provisions relating to public employee retirement and benefits.

Highlighted Provisions:

This bill:

- ▶ amends the definition of "bona fide termination of employment" for purposes of the Utah State Retirement and Insurance Benefit Act;
- ▶ changes the membership of the Membership Council;
- ▶ clarifies that service credit in the judges' retirement systems is not transferable to a Tier II retirement system;
- ▶ authorizes the attorney general and senior staff in the Office of the Attorney General to elect to transfer the value of certain accrued defined benefits or elect to be exempt from the retirement systems, allowing employer contributions to vest immediately;
- ▶ modifies the Utah Retirement Systems staff who may make an appeal ruling, if delegated by the executive director;
- ▶ amends provisions regarding permanently relinquishing a defined benefit or defined contribution benefit; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

49-11-102 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special

28 Session, Chapter 9
 29 **49-11-205 (Effective 05/06/26) (Superseded 11/28/26)**, as last amended by Laws of Utah
 30 2025, Chapter 298
 31 **49-11-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 193
 32 **49-11-406 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 425
 33 **49-11-613 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 421
 34 **49-11-619 (Effective 05/06/26)**, as last amended by Laws of Utah 2008, Chapter 252
 35 **49-11-802 (Effective 05/06/26)**, as enacted by Laws of Utah 2002, Chapter 250
 36 **49-11-1202 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 405
 37 **49-12-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64
 38 **49-12-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 39 **49-13-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64
 40 **49-13-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 41 **49-14-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 42 **49-15-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 43 **49-16-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 44 **49-17-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2014, Chapter 15
 45 **49-18-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2014, Chapter 15
 46 **49-22-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64
 47 **49-22-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449
 48 **49-23-303 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449

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

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

52 **49-11-102 (Effective 05/06/26). Definitions.**

53 As used in this title:

54 (1)(a) "Active member" means a member who:

55 (i) is employed by a participating employer and accruing service credit; or

56 (ii) within the previous 120 days:

57 (A) has been employed by a participating employer; and

58 (B) accrued service credit.

59 (b) "Active member" does not include a retiree.

60 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of
 61 mortality tables as recommended by the actuary and adopted by the executive director,

- 62 including regular interest.
- 63 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and
64 adopted by the board upon which the funding of system costs and benefits are computed.
- 65 (4)(a) "Agency" means:
- 66 (i) a department, division, agency, office, authority, commission, board, institution,
67 or hospital of the state;
- 68 (ii) a county, municipality, school district, special district, or special service district;
- 69 (iii) a state college or university; or
- 70 (iv) any other participating employer.
- 71 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a
72 subdivision of another entity listed under Subsection (4)(a).
- 73 (5) "Allowance" or "retirement allowance" means the pension plus the annuity, including
74 any cost of living or other authorized adjustments to the pension and annuity.
- 75 (6) "Alternate payee" means a member's former spouse or family member eligible to
76 receive payments under a Domestic Relations Order in compliance with Section
77 49-11-612.
- 78 (7) "Amortization rate" means the board certified percent of salary required to amortize the
79 unfunded actuarial accrued liability in accordance with policies established by the board
80 upon the advice of the actuary.
- 81 (8) "Annuity" means monthly payments derived from member contributions.
- 82 (9) "Appointive officer" means an employee appointed to a position for a definite and fixed
83 term of office by official and duly recorded action of a participating employer whose
84 appointed position is designated in the participating employer's charter, creation
85 document, or similar document, and:
- 86 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in
87 Section 49-12-407 for a Tier I appointive officer; and
- 88 (b) whose appointive position is full-time as certified by the participating employer for a
89 Tier II appointive officer.
- 90 (10)(a) "At-will employee" means a person who is employed by a participating
91 employer and:
- 92 (i) who is not entitled to merit or civil service protection and is generally considered
93 exempt from a participating employer's merit or career service personnel systems;
- 94 (ii) whose on-going employment status is entirely at the discretion of the person's
95 employer; or

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

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

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

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

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

108 (14) "Board of Higher Education" or "Utah Board of Higher Education" means the Utah
 109 Board of Higher Education described in Section 53H-1-203.

110 (15) "Bona fide termination of employment" means a circumstance in which a member:

111 (a) terminates any employer-employee relationship with a participating employer and
 112 any direct or indirect fee-for-service relationship with a participating employer;

113 (b) ceases actual work for any participating employer; and

114 (c) completes each action described in Subsections (15)(a) and (b) without having any
 115 kind of prearrangement or understanding with a participating employer that
 116 anticipates, following the member's termination of employment and retirement, any
 117 kind of:

118 (i) employment with a participating employer; or

119 (ii) fee-for-service relationship with a participating employer.

120 [(15)] (16) "Certified contribution rate" means the board certified percent of salary paid on
 121 behalf of an active member to the office to maintain the system on a financially and
 122 actuarially sound basis.

123 [(16)] (17) "Contributions" means the total amount paid by the participating employer and
 124 the member into a system or to the Utah Governors' and Legislators' Retirement Plan
 125 under Chapter 19, Utah Governors' and Legislators' Retirement Act.

126 [(17)] (18) "Council member" means a person serving on the Membership Council
 127 established under Section 49-11-205.

128 [(18)] (19) "Covered individual" means any individual covered under Chapter 20, Public
 129 Employees' Benefit and Insurance Program Act.

- 130 ~~[(19)]~~ (20) "Current service" means covered service under:
- 131 (a) Chapter 12, Public Employees' Contributory Retirement Act;
- 132 (b) Chapter 13, Public Employees' Noncontributory Retirement Act;
- 133 (c) Chapter 14, Public Safety Contributory Retirement Act;
- 134 (d) Chapter 15, Public Safety Noncontributory Retirement Act;
- 135 (e) Chapter 16, Firefighters' Retirement Act;
- 136 (f) Chapter 17, Judges' Contributory Retirement Act;
- 137 (g) Chapter 18, Judges' Noncontributory Retirement Act;
- 138 (h) Chapter 19, Utah Governors' and Legislators' Retirement Act;
- 139 (i) Chapter 22, New Public Employees' Tier II Contributory Retirement Act; or
- 140 (j) Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act.
- 141 ~~[(20)]~~ (21) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a
- 142 system or plan offered under this title to provide a specified allowance to a retiree or a
- 143 retiree's spouse after retirement that is based on a set formula involving one or more of
- 144 the following factors:
- 145 (a) years of service;
- 146 (b) final average monthly salary; or
- 147 (c) a retirement multiplier.
- 148 ~~[(21)]~~ (22) "Defined contribution" or "defined contribution plan" means any defined
- 149 contribution plan or deferred compensation plan authorized under the Internal Revenue
- 150 Code and administered by the board.
- 151 ~~[(22)]~~ (23) "Educational institution" means a political subdivision or instrumentality of the
- 152 state or a combination thereof primarily engaged in educational activities or the
- 153 administration or servicing of educational activities, including:
- 154 (a) the State Board of Education and its instrumentalities;
- 155 (b) any institution of higher education and its branches;
- 156 (c) any school district and its instrumentalities;
- 157 (d) any vocational and technical school; and
- 158 (e) any entity arising out of a consolidation agreement between entities described under
- 159 this Subsection ~~[(22)]~~ (23).
- 160 ~~[(23)]~~ (24) "Elected official":
- 161 (a) means a person elected to a state office, county office, municipal office, school board
- 162 or school district office, special district office, or special service district office;
- 163 (b) includes a person who is appointed to serve an unexpired term of office described

- 164 under Subsection ~~[(23)]~~ (24)(a); and
- 165 (c) does not include a judge or justice who is subject to a retention election under
- 166 Section 20A-12-201.
- 167 ~~[(24)]~~ (25)(a) "Employer" means any department, educational institution, or political
- 168 subdivision of the state eligible to participate in a government-sponsored retirement
- 169 system under federal law.
- 170 (b) "Employer" may also include an agency financed in whole or in part by public funds.
- 171 ~~[(25)]~~ (26) "Exempt employee" means an employee working for a participating employer:
- 172 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203, 49-14-203,
- 173 49-15-203, or 49-16-203; and
- 174 (b) for whom a participating employer is not required to pay contributions or nonelective
- 175 contributions.
- 176 ~~[(26)]~~ (27) "Final average monthly salary" means the amount computed by dividing the
- 177 compensation received during the final average salary period under each system by the
- 178 number of months in the final average salary period.
- 179 ~~[(27)]~~ (28) "Fund" means any fund created under this title for the purpose of paying benefits
- 180 or costs of administering a system, plan, or program.
- 181 ~~[(28)]~~ (29)(a) "Inactive member" means a member who has not been employed by a
- 182 participating employer for a period of at least 120 days.
- 183 (b) "Inactive member" does not include retirees.
- 184 ~~[(29)]~~ (30)(a) "Initially entering" means hired, appointed, or elected for the first time, in
- 185 current service as a member with any participating employer.
- 186 (b) "Initially entering" does not include a person who has any prior service credit on file
- 187 with the office.
- 188 (c) "Initially entering" includes an employee of a participating employer, except for an
- 189 employee that is not eligible under a system or plan under this title, who:
- 190 (i) does not have any prior service credit on file with the office;
- 191 (ii) is covered by a retirement plan other than a retirement plan created under this
- 192 title; and
- 193 (iii) moves to a position with a participating employer that is covered by this title.
- 194 ~~[(30)]~~ (31) "Institution of higher education" means an institution described in Section
- 195 53H-1-102.
- 196 ~~[(31)]~~ (32)(a) "Member" means a person, except a retiree, with contributions on deposit
- 197 with a system, the Utah Governors' and Legislators' Retirement Plan under Chapter

- 198 19, Utah Governors' and Legislators' Retirement Act, or with a terminated system.
- 199 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)
200 of the Internal Revenue Code, if the employees have contributions on deposit with
201 the office. If leased employees constitute less than 20% of the participating
202 employer's work force that is not highly compensated within the meaning of Section
203 414(n)(5)(c)(ii), Internal Revenue Code, "member" does not include leased
204 employees covered by a plan described in Section 414(n)(5) of the federal Internal
205 Revenue Code.
- 206 ~~[(32)]~~ (33) "Member contributions" means the sum of the contributions paid to a system or
207 the Utah Governors' and Legislators' Retirement Plan, including refund interest if
208 allowed by a system, and which are made by:
- 209 (a) the member; and
210 (b) the participating employer on the member's behalf under Section 414(h) of the
211 Internal Revenue Code.
- 212 ~~[(33)]~~ (34) "Nonelective contribution" means an amount contributed by a participating
213 employer into a participant's defined contribution account.
- 214 ~~[(34)]~~ (35) "Normal cost rate":
- 215 (a) means the percent of salary that is necessary for a retirement system that is fully
216 funded to maintain its fully funded status; and
217 (b) is determined by the actuary based on the assumed rate of return established by the
218 board.
- 219 ~~[(35)]~~ (36) "Office" means the Utah State Retirement Office.
- 220 ~~[(36)]~~ (37) "Participant" means an individual with voluntary deferrals or nonelective
221 contributions on deposit with the defined contribution plans administered under this title.
- 222 ~~[(37)]~~ (38) "Participating employer" means a participating employer, as defined by Chapter
223 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
224 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
225 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
226 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18,
227 Judges' Noncontributory Retirement Act, or an agency financed in whole or in part by
228 public funds which is participating in a system or plan as of January 1, 2002.
- 229 ~~[(38)]~~ (39) "Part-time appointed board member" means a person:
- 230 (a) who is appointed to serve as a member of a board, commission, council, committee,
231 or panel of a participating employer; and

- 232 (b) whose service as a part-time appointed board member does not qualify as a regular
233 full-time employee as defined under Section 49-12-102, 49-13-102, or 49-22-102.
- 234 [(39)] (40) "Pension" means monthly payments derived from participating employer
235 contributions.
- 236 [(40)] (41) "Plan" means the Utah Governors' and Legislators' Retirement Plan created by
237 Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public
238 Employees' Tier II Defined Contribution Plan created by Chapter 22, Part 4, Tier II
239 Defined Contribution Plan, the New Public Safety and Firefighter Tier II Defined
240 Contribution Plan created by Chapter 23, Part 4, Tier II Defined Contribution Plan, or
241 the defined contribution plans created under Section 49-11-801.
- 242 [(41)] (42)(a) "Political subdivision" means any local government entity, including cities,
243 towns, counties, and school districts, but only if the subdivision is a juristic entity that
244 is legally separate and distinct from the state and only if its employees are not by
245 virtue of their relationship to the entity employees of the state.
- 246 (b) "Political subdivision" includes special districts, special service districts, or
247 authorities created by the Legislature or by local governments, including the office.
- 248 (c) "Political subdivision" does not include a project entity created under Title 11,
249 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.
- 250 [(42)] (43) "Program" means the Public Employees' Insurance Program created under
251 Chapter 20, Public Employees' Benefit and Insurance Program Act, or the Public
252 Employees' Long-Term Disability program created under Chapter 21, Public Employees'
253 Long-Term Disability Act.
- 254 [(43)] (44) "Public funds" means those funds derived, either directly or indirectly, from
255 public taxes or public revenue, dues or contributions paid or donated by the membership
256 of the organization, used to finance an activity whose objective is to improve, on a
257 nonprofit basis, the governmental, educational, and social programs and systems of the
258 state or its political subdivisions.
- 259 [(44)] (45) "Qualified defined contribution plan" means a defined contribution plan that
260 meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue
261 Code.
- 262 [(45)] (46) "Refund interest" means the amount accrued on member contributions at a rate
263 adopted by the board.
- 264 [(46)] (47) "Retiree" means an individual who has qualified for an allowance under this title.
- 265 [(47)] (48) "Retirement" means the status of an individual who has become eligible, applies

- 266 for, and is entitled to receive an allowance under this title.
- 267 [~~(48)~~] (49) "Retirement date" means the date selected by the member on which the member's
268 retirement becomes effective with the office.
- 269 [~~(49)~~] (50) "Retirement related contribution":
- 270 (a) means any employer payment to any type of retirement plan or program made on
271 behalf of an employee; and
- 272 (b) does not include Social Security payments or Social Security substitute payments
273 made on behalf of an employee.
- 274 [~~(50)~~] (51) "Service credit" means:
- 275 (a) the period during which an employee is employed and compensated by a
276 participating employer and meets the eligibility requirements for membership in a
277 system or the Utah Governors' and Legislators' Retirement Plan, provided that any
278 required contributions are paid to the office; and
- 279 (b) periods of time otherwise purchasable under this title.
- 280 [~~(51)~~] (52) "Surviving spouse" means:
- 281 (a) the lawful spouse who has been married to a member for at least six months
282 immediately before the death date of the member; or
- 283 (b) a former lawful spouse of a member with a valid domestic relations order benefits on
284 file with the office before the member's death date in accordance with Section
285 49-11-612.
- 286 [~~(52)~~] (53) "System" means the individual retirement systems created by Chapter 12, Public
287 Employees' Contributory Retirement Act, Chapter 13, Public Employees'
288 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
289 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
290 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'
291 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators'
292 Retirement Act, the defined benefit portion of the Tier II Hybrid Retirement System
293 under Chapter 22, Part 3, Tier II Hybrid Retirement System, and the defined benefit
294 portion of the Tier II Hybrid Retirement System under Chapter 23, Part 3, Tier II Hybrid
295 Retirement System.
- 296 [~~(53)~~] (54) "Technical college" means the same as that term is defined in Section 53H-1-101.
- 297 [~~(54)~~] (55) "Tier I" means a system or plan under this title for which:
- 298 (a) an employee is eligible to participate if the employee initially enters regular full-time
299 employment before July 1, 2011; or

- 300 (b) a governor or legislator who initially enters office before July 1, 2011.
- 301 [~~(55)~~] (56)(a) "Tier II" means a system or plan under this title provided in lieu of a Tier I
- 302 system or plan for an employee, governor, legislator, or full-time elected official who
- 303 does not have Tier I service credit in a system or plan under this title:
- 304 (i) if the employee initially enters regular full-time employment on or after July 1,
- 305 2011; or
- 306 (ii) if the governor, legislator, or full-time elected official initially enters office on or
- 307 after July 1, 2011.
- 308 (b) "Tier II" includes:
- 309 (i) the Tier II hybrid system established under:
- 310 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or
- 311 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and
- 312 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:
- 313 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or
- 314 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.
- 315 [~~(56)~~] (57) "Unfunded actuarial accrued liability" or "UAAL":
- 316 (a) is determined by the system's actuary; and
- 317 (b) means the excess, if any, of the accrued liability of a retirement system over the
- 318 actuarial value of its assets.
- 319 [~~(57)~~] (58) "Voluntary deferrals" means an amount contributed by a participant into that
- 320 participant's defined contribution account.
- 321 Section 2. Section **49-11-205** is amended to read:
- 322 **49-11-205 (Effective 05/06/26) (Superseded 11/28/26). Membership Council**
- 323 **established -- Members -- Chair -- Duties -- Expenses and per diem.**
- 324 (1) A Membership Council is established to perform the duties under Subsection (5).
- 325 (2) The Membership Council shall be composed of [~~15~~] 18 council members[~~-selected~~] as
- 326 follows:
- 327 (a) the director of the Division of Human Resource Management or the director's
- 328 designee;
- 329 (b) one local school board member selected by the governing board of an association
- 330 representative of a majority of local school board members who are members of a
- 331 system administered by the board;
- 332 (c) one district superintendent selected by the governing board of an association
- 333 representative of a majority of district superintendents who are members of a system

- 334 administered by the board, or the district superintendent's designee;
- 335 ~~(d)~~ (d) three ~~[council members shall be]~~ school employees selected by the governing board
- 336 of an association representative of a majority of school employees who are members
- 337 of a system administered by the board;
- 338 ~~(b)~~ (e) one ~~[council member shall be an]~~ education support professional selected by the
- 339 governing board of the association representative of a majority of education support
- 340 professionals who are members of a system administered by the board;
- 341 ~~(e)~~ (f) two ~~[council members shall be]~~ public employees selected by the governing
- 342 board of the association representative of a majority of the public employees who are
- 343 members of a system administered by the board;
- 344 ~~(d)~~ (g) one ~~[council member shall be a]~~ municipal officer or employee selected by the
- 345 governing board of the association representative of a majority of the municipalities
- 346 who participate in a system administered by the board;
- 347 ~~(e)~~ (h) one ~~[council member shall be a]~~ county officer or employee selected by the
- 348 governing board of the association representative of a majority of counties who
- 349 participate in a system administered by the board;
- 350 ~~(f)~~ (i) one ~~[council member shall be a]~~ representative of members of the Judges'
- 351 Noncontributory Retirement System selected by the Judicial Council;
- 352 ~~(g)~~ (j) one ~~[council member shall be a]~~ representative of members of the Public Safety
- 353 Retirement Systems selected by the governing board of the association representative
- 354 of the majority of peace officers who are members of the Public Safety Retirement
- 355 Systems;
- 356 ~~(h)~~ (k) one ~~[council member shall be a]~~ representative of members of the Firefighters'
- 357 Retirement System selected by the governing board of the association representative
- 358 of the majority of paid professional firefighters who are members of the Firefighters'
- 359 Retirement System;
- 360 ~~(i)~~ (l) one ~~[council member shall be a]~~ retiree selected by the governing board of the
- 361 association representing the largest number of retirees, who are not public education
- 362 retirees, from the Public Employees' Contributory, Public Employees'
- 363 Noncontributory, and New Public Employees' Tier II Contributory Retirement
- 364 Systems;
- 365 ~~(j)~~ (m) one ~~[council member shall be a]~~ retiree selected by the governing board of the
- 366 association representing the largest number of public education retirees;
- 367 ~~(k)~~ (n) one ~~[council member shall be a]~~ school business official selected by the

368 governing board of the association representative of a majority of the school business
 369 officials from public education employers who participate in a system administered
 370 by the board; and

371 ~~[(H)]~~ (o) one ~~[council member shall be a]~~special district officer or employee selected by
 372 the governing board of the association representing the largest number of special
 373 service districts and special districts who participate in a system administered by the
 374 board.

375 (3)(a) Each entity granted authority to select council members under Subsection (2) may
 376 also revoke the selection at any time.

377 (b) Each term on the council shall be for a period of four years, subject to Subsection
 378 (3)(a).

379 (c) Each term begins on July 1 and expires on June 30.

380 (d) When a vacancy occurs on the council for any reason, the replacement shall be
 381 selected for the remainder of the unexpired term.

382 (4) The council shall annually designate one council member as chair.

383 (5) The council shall:

384 (a) recommend to the board and to the Legislature benefits and policies for members of
 385 any system or plan administered by the board;

386 (b) recommend procedures and practices to improve the administration of the systems
 387 and plans and the public employee relations responsibilities of the board and office;

388 (c) examine the record of all decisions affecting retirement benefits made by a hearing
 389 officer under Section 49-11-613;

390 (d) submit nominations to the board for the position of executive director if that position
 391 is vacant;

392 (e) advise and counsel with the board and the director on policies affecting members of
 393 the various systems administered by the office; and

394 (f) perform other duties assigned to it by the board.

395 (6) A member of the council may not receive compensation or benefits for the member's
 396 service, but may receive per diem and travel expenses in accordance with:

397 (a) Section 63A-3-106;

398 (b) Section 63A-3-107; and

399 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 400 63A-3-107.

401 Section 3. Section **49-11-401** is amended to read:

402 **49-11-401 (Effective 05/06/26). Transfer of service credit -- Eligibility for service**
403 **credit -- Computation of service credit -- Retirement from most recent system.**

404 (1)(a) The office shall make the transfer of service credit, together with related member
405 and participating employer contributions, from one system to another upon terms and
406 conditions established by the board.

407 (b) The terms and conditions may not result in a loss of accrued benefits.

408 (2) An employee does not lose active member status by transferring employment from a
409 position covered by one system to a position covered by another system.

410 (3) In the accrual of service credit, the following provisions apply:

411 (a)(i) a person employed and compensated by a participating employer who meets the
412 eligibility requirements for membership in a system or the Utah Governors' and
413 Legislators' Retirement Plan shall receive service credit for the term of the
414 employment provided that all required contributions are paid to the office; and

415 (ii) the person may not receive service credit for a term of employment until all
416 required contributions related to that service credit have been paid to the office;

417 (b) an allowance or other benefit may not accrue under this title which is based upon the
418 same period of employment as has been the basis for any retirement benefits under
419 some other public retirement system;

420 (c)(i) the board shall fix the minimum time per day, per month, and per year upon the
421 basis of which one year of service and proportionate parts of a year shall be
422 credited toward qualification for retirement;

423 (ii) service may be computed on a fiscal or calendar year basis and portions of years
424 served shall be accumulated and counted as service; and

425 (iii) in any event, all of the service rendered in any one fiscal or calendar year may
426 not count for more than one year;

427 (d) service credit shall be accrued on a fiscal or calendar year basis as determined by the
428 participating employer;

429 (e) a member may not accrue more than one year of service credit per fiscal or calendar
430 year as determined by the office; and

431 (f) fractions of years of service credit shall be accumulated and counted in proportion to
432 the work performed.

433 (4) The office may estimate the amount of service credit, compensation, or age of any
434 member, participant, or alternate payee, if information is not contained in the records.

435 (5) A member shall retire from the system that most recently covered the member.

436 (6)(a) Under no circumstances may service credit earned by a member under Chapter 22,
 437 New Public Employees' Tier II Contributory Retirement Act, or Chapter 23, New
 438 Public Safety and Firefighter Tier II Contributory Retirement Act, be transferable to
 439 any other system or plan under this title.

440 (b) Under no circumstances may service credit earned by a member under one of the
 441 following systems be transferable to the system created under Chapter 22, New
 442 Public Employees' Tier II Contributory Retirement Act, or under Chapter 23, New
 443 Public Safety and Firefighter Tier II Contributory Retirement Act:

444 (i) Chapter 12, Public Employees' Contributory Retirement Act;

445 (ii) Chapter 13, Public Employees' Noncontributory Retirement Act;

446 (iii) Chapter 14, Public Safety Contributory Retirement Act;

447 (iv) Chapter 15, Public Safety Noncontributory Retirement Act;

448 (v) Chapter 16, Firefighters' Retirement Act;[~~or~~]

449 (vi) Chapter 17, Judges' Contributory Retirement Act;

450 (vii) Chapter 18, Judges' Noncontributory Retirement Act; or

451 [~~(vi)~~] (viii) Chapter 19, Utah Governors' and Legislators' Retirement Act.

452 Section 4. Section **49-11-406** is amended to read:

453 **49-11-406 (Effective 05/06/26). Governor's appointed executives and senior staff**

454 **-- Appointed legislative employees -- Transfer of value of accrued defined benefit --**

455 **Procedures.**

456 (1) As used in this section:

457 (a) "Defined benefit balance" means the total amount of the contributions made on
 458 behalf of a member to a defined benefit system plus refund interest.

459 (b) "Senior staff" means an at-will employee who reports directly to an elected official,
 460 executive director, or director and includes a deputy director and other similar, at-will
 461 employee positions designated by the governor, the speaker of the House, or the
 462 president of the Senate and filed with the Division of Human Resource Management
 463 and the Utah State Retirement Office.

464 (2) In accordance with this section and subject to requirements under federal law and rules
 465 made by the board, a member who has service credit from a system may elect to be
 466 exempt from coverage under a defined benefit system and to have the member's defined
 467 benefit balance transferred from the defined benefit system or plan to a defined
 468 contribution plan in the member's own name if the member is:

469 (a) the state auditor;

- 470 (b) the state treasurer;
- 471 (c) an appointed executive under Subsection 67-22-2(1)(a);
- 472 (d) an employee in the [~~Governor's Office~~] Office of the Governor;
- 473 (e) senior staff in the Governor's Office of Planning and Budget;
- 474 (f) senior staff in the Governor's Office of Economic Opportunity;
- 475 (g) senior staff in the State Commission on Criminal and Juvenile Justice;
- 476 (h) senior staff in the Public Lands Policy Coordinating Office, created in Section
- 477 63L-11-201;
- 478 (i) a legislative employee appointed under Subsection 36-12-7(3);~~[-or]~~
- 479 (j) a legislative employee appointed by the speaker of the House of Representatives, the
- 480 House of Representatives minority leader, the president of the Senate, or the Senate
- 481 minority leader~~[-]~~ ;
- 482 (k) the attorney general; or
- 483 (l) an at-will employee who reports directly to:
- 484 (i) the attorney general; or
- 485 (ii) an employee who reports directly to the attorney general.
- 486 (3) An election made under Subsection (2):
- 487 (a) is final, and no right exists to make any further election;
- 488 (b) is considered a request to be exempt from coverage under a defined benefits system;
- 489 and
- 490 (c) shall be made on forms provided by the office.
- 491 (4) The board shall adopt rules to implement and administer this section.
- 492 Section 5. Section **49-11-613** is amended to read:
- 493 **49-11-613 (Effective 05/06/26). Appeals procedure -- Right of appeal to hearing**
- 494 **officer -- Board reconsideration -- Judicial review -- Docketing abstract of final**
- 495 **administrative order.**
- 496 (1)(a) A member, retiree, participant, alternative payee, covered individual, employer,
- 497 participating employer, and covered employer shall inform themselves of their
- 498 benefits, rights, obligations, and employment rights under this title.
- 499 (b) Subject to Subsection (8), any dispute regarding a benefit, right, obligation, or
- 500 employment right under this title is subject to the procedures provided under this
- 501 section.
- 502 (c)(i) A person who disputes a benefit, right, obligation, or employment right under
- 503 this title shall request a ruling by the executive director who may delegate the

- 504 decision to ~~[the deputy director]~~ a senior member of office management as
505 determined by the executive director.
- 506 (ii) A request for a ruling to the executive director under this section shall constitute
507 the initiation of an action for purposes of the limitations periods described in
508 Section 49-11-613.5.
- 509 (d) A person who is dissatisfied by a ruling under Subsection (1)(c) with respect to any
510 benefit, right, obligation, or employment right under this title may request a review of
511 that claim by a hearing officer within the time period described in Section
512 49-11-613.5.
- 513 (e)(i) The executive director, on behalf of the board, may request that the hearing
514 officer review a dispute regarding any benefit, right, obligation, or employment
515 right under this title by filing a notice of board action and providing notice to all
516 affected parties in accordance with rules adopted by the board.
- 517 (ii) The filing of a notice of board action shall constitute the initiation of an action for
518 purposes of the limitations periods described in Section 49-11-613.5.
- 519 (2) The hearing officer shall:
- 520 (a) be hired by the executive director after consultation with the board;
- 521 (b) follow and enforce the procedures and requirements of:
- 522 (i) this title;
- 523 (ii) the rules adopted by the board in accordance with Subsection (10); and
- 524 (iii) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically
525 modified under this title or the rules adopted by the board in accordance with
526 Subsection (10);
- 527 (c) hear and determine all facts relevant to a decision, including facts pertaining to
528 applications for benefits under any system, plan, or program under this title and all
529 matters pertaining to the administration of the office; and
- 530 (d) make conclusions of law in determining the person's rights under any system, plan,
531 or program under this title and matters pertaining to the administration of the office.
- 532 (3) The board shall review and approve or deny all final orders and judgments of the
533 hearing officer in accordance with rules adopted by the board in accordance with
534 Subsection (10).
- 535 (4) The moving party in any proceeding brought under this section shall bear the burden of
536 proof.
- 537 (5) A party may file an application for reconsideration by the board upon any of the

- 538 following grounds:
- 539 (a) that the board acted in excess of the board's powers;
- 540 (b) that the order or the award was procured by fraud;
- 541 (c) that the evidence does not justify the determination of the hearing officer; or
- 542 (d) that the party has discovered new material evidence that could not, with reasonable
- 543 diligence, have been discovered or procured prior to the hearing.
- 544 (6) The board shall affirm, reverse, or modify the final order or judgment of the hearing
- 545 officer, or remand the application to the hearing officer for further consideration.
- 546 (7) A party aggrieved by the board's final decision under Subsection (6) may obtain judicial
- 547 review by complying with the procedures and requirements of:
- 548 (a) this title;
- 549 (b) rules adopted by the board in accordance with Subsection (10); and
- 550 (c) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically modified
- 551 under this title or the rules adopted by the board in accordance with Subsection (10).
- 552 (8) The program shall provide an appeals process for medical claims that complies with
- 553 federal law.
- 554 (9)(a)(i) Any interested party may file, in a district court of any county in the state, an
- 555 abstract of a final administrative order approved by the board in accordance with
- 556 this section.
- 557 (ii) Upon receiving the filing of an abstract, the clerk of the district court shall:
- 558 (A) docket the abstract; and
- 559 (B) note the date of the abstract's receipt on the abstract and in the docket.
- 560 (b)(i) From the day on which an interested party files the abstract with a district
- 561 court, the final administrative order approved by the board is a lien upon the real
- 562 property of the obligor situated in that county.
- 563 (ii) Unless satisfied, the lien is for a period of eight years after the day on which the
- 564 board approves the final administrative order.
- 565 (c) The final administrative order approved by the board fixing the liability of the
- 566 obligor has the same effect as any other money judgment entered by a district court.
- 567 (d)(i) Except as provided in Subsection (9)(d)(ii), an attachment, a garnishment, or an
- 568 execution on a judgment included in or accruing under a final administrative order
- 569 approved by the board and filed and docketed in accordance with Subsection (9)(a)
- 570 has the same manner and same effect as an attachment, a garnishment, or an
- 571 execution on a judgment of a district court.

- 572 (ii) A writ of garnishment on earnings continues to operate, and to require the
 573 garnishee to withhold the nonexempt portion of earnings at each succeeding
 574 earnings disbursement interval, until the office or a court releases the writ of
 575 garnishment in writing.
- 576 (e) The lien and enforcement remedies provided by this section are in addition to any
 577 other lien or remedy provided by law.
- 578 (f) A party may bring an action upon a final administrative order approved by the board
 579 within eight years after the day on which the board approves the final administrative
 580 order.
- 581 (g) A final administrative order may be renewed administratively by complying with the
 582 procedures and requirements provided in rule adopted by the board in accordance
 583 with Subsection (10).
- 584 (10)(a) The board shall make rules to implement this section and to establish procedures
 585 and requirements for adjudicative proceedings.
- 586 (b) The rules shall be substantially similar to or incorporate provisions of the Utah Rules
 587 of Civil Procedure, the Utah Rules of Evidence, and Title 63G, Chapter 4,
 588 Administrative Procedures Act.
- 589 Section 6. Section **49-11-619** is amended to read:

590 **49-11-619 (Effective 05/06/26). Permanent relinquishment of benefit --**

591 **Procedure.**

- 592 (1)(a) A member or retiree may not permanently relinquish a benefit under this title.
- 593 (b) Except for a defined contribution [plans] plan authorized by this title, a [member,
 594 retiree, or] designated beneficiary may permanently relinquish a benefit under this
 595 title by signing an irrevocable written relinquishment.
- 596 [(b) If the retiree has designated a beneficiary which is still living, the written
 597 relinquishment must be signed by both the retiree and the beneficiary.]
- 598 [(2) The value of the benefit permanently relinquished under Subsection (1) shall remain in
 599 the fund from which the benefit was relinquished and shall be used in the calculation of
 600 future contribution rates.]
- 601 [(3)] (2)(a) A designated beneficiary may disclaim beneficiary status and the benefit shall
 602 then be payable first to any alternate designated beneficiary, then dispersed under
 603 Title 75, Chapter 2, Intestate Succession and Wills, as applicable.
- 604 (b) The remaining value of the benefit permanently relinquished after payments are
 605 made under Subsection (2)(a) shall remain in the fund from which the benefit was

606 relinquished and shall be used in the calculation of future contribution rates.
 607 [(4)] (3) The office is not required to recognize or accept any written relinquishment that
 608 jeopardizes the tax qualified status of the systems, plans, or programs or otherwise
 609 violates federal law.

610 Section 7. Section **49-11-802** is amended to read:

611 **49-11-802 (Effective 05/06/26). Permanent relinquishment of defined**
 612 **contribution benefit -- Procedure.**

613 (1) A participant under a defined contribution plan may not permanently relinquish the
 614 benefit.

615 (2) A [~~participant or~~]designated beneficiary under a defined contribution plan may
 616 permanently relinquish the benefit by signing an irrevocable written relinquishment.

617 Section 8. Section **49-11-1202** is amended to read:

618 **49-11-1202 (Effective 05/06/26). Definitions.**

619 As used in this part:

620 (1)(a) "Affiliated emergency services worker" means an individual who:

- 621 (i) is employed by a participating employer;
- 622 (ii) performs emergency services for another participating employer that is a different
 623 agency;
- 624 (iii) is trained in techniques and skills required for the emergency service;
- 625 (iv) continues to receive regular training required for the service;
- 626 (v) is on the rolls as a trained affiliated emergency services worker of the
 627 participating employer; and
- 628 (vi) provides ongoing service for a participating employer, which service may
 629 include service as a volunteer firefighter, reserve law enforcement officer, search
 630 and rescue worker, emergency medical technician, ambulance worker, park
 631 ranger, or public utilities worker.

632 (b) "Affiliated emergency services worker" does not include an individual who performs
 633 work or service but does not meet the requirements of Subsection (1)(a).

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

637 [(3) "Bona fide termination of employment" means:]

638 [(a) permanent separation from employment or a fee-for-service relationship with any
 639 participating employer; and]

640 ~~[(b) separation from employment without a prearrangement that anticipates~~
 641 ~~postretirement reemployment or a postretirement fee-for-service relationship with a~~
 642 ~~participating employer.]~~

643 ~~[(4)]~~ (3) "Normal cost rate" means the normal cost rate, as defined in Section 49-11-102, to
 644 be applied to the system that would have covered the retiree if the retiree's reemployed
 645 position were deemed to be an eligible, full-time position within that system.

646 ~~[(5)]~~ (4) "Part-time appointed or elected board member" means an individual who:

647 (a) serves in a position:

648 (i) as a member of a board, commission, council, committee, panel, or other body of
 649 a participating employer; and

650 (ii) that is designated in the participating employer's governing statute, charter,
 651 creation document, or similar document;

652 (b) is appointed or elected to the position for a definite and fixed term of office by
 653 official and duly recorded action of the participating employer;

654 (c) except for the service in the position, does not perform other work or service for
 655 compensation for the participating employer, whether as an employee or under a
 656 contract; and

657 (d) retires from a participating employer that is different than the participating employer
 658 with the position in which the person serves.

659 ~~[(6)]~~ (5) "Public employee retiree" means a retiree who retires under:

660 (a) Chapter 12, Public Employees' Contributory Retirement Act;

661 (b) Chapter 13, Public Employees' Noncontributory Retirement Act; or

662 (c) Chapter 22, Part 3, Tier II Hybrid Retirement System.

663 ~~[(7)]~~ (6) "Public safety or firefighter retiree" means a retiree who retires under:

664 (a) Chapter 14, Public Safety Contributory Retirement Act;

665 (b) Chapter 15, Public Safety Noncontributory Retirement Act;

666 (c) Chapter 16, Firefighters' Retirement Act; or

667 (d) Chapter 23, Part 3, Tier II Hybrid Retirement System.

668 ~~[(8)]~~ (7)(a) "Reemployed," "reemploy," or "reemployment" means work or service
 669 performed for a participating employer after retirement, in exchange for
 670 compensation.

671 (b) "Reemployed," "reemploy," or "reemployment" includes work or service performed
 672 on a contract for a participating employer if the retiree is:

673 (i) listed as the contractor; or

- 674 (ii) an owner, partner, or principal of the contractor.
- 675 [(9)] (8)(a) "Retiree" means an individual who:
- 676 (i) retired from a participating employer; and
- 677 (ii) begins reemployment on or after July 1, 2010, with a participating employer.
- 678 (b) "Retiree" does not include an individual:
- 679 (i)(A) who was reemployed by a participating employer before July 1, 2010; and
- 680 (B) whose participating employer that reemployed the individual under
- 681 Subsection [(9)(b)(i)(A)] (8)(b)(i)(A) was dissolved, consolidated, merged, or
- 682 structurally changed in accordance with Section 49-11-621 on or after July 1,
- 683 2010; or
- 684 (ii) who is working under a phased retirement agreement in accordance with Chapter
- 685 11, Part 13, Phased Retirement.

686 Section 9. Section **49-12-203** is amended to read:

687 **49-12-203 (Effective 05/06/26). Exclusions from membership in system.**

- 688 (1) The following employees are not eligible for service credit in this system:
- 689 (a) subject to the requirements of Subsection (2), an employee whose employment status
- 690 is temporary in nature due to the nature or the type of work to be performed;
- 691 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
- 692 education who participates in a retirement system with a public or private retirement
- 693 system, organization, or company designated by the Utah Board of Higher Education,
- 694 or the technical college board of trustees for an employee of each technical college,
- 695 during any period in which required contributions based on compensation have been
- 696 paid on behalf of the employee by the employer;
- 697 (c) an employee serving as an exchange employee from outside the state for an employer
- 698 who has not elected to make all of the employer's exchange employees eligible for
- 699 service credit in this system;
- 700 (d) an executive department head of the state, a member of the State Tax Commission,
- 701 the Public Service Commission, and a member of a full-time or part-time board or
- 702 commission who files a formal request for exemption;
- 703 (e) an employee of the Department of Workforce Services who is covered under another
- 704 retirement system allowed under Title 35A, Chapter 4, Employment Security Act;
- 705 (f) an employee who is employed on or after July 1, 2009, with an employer that has
- 706 elected, prior to July 1, 2009, to be excluded from participation in this system under
- 707 Subsection 49-12-202(2)(c);

- 708 (g) an employee who is employed on or after July 1, 2014, with an employer that has
709 elected, prior to July 1, 2014, to be excluded from participation in this system under
710 Subsection 49-12-202(2)(d);
- 711 (h) an employee who is employed with a withdrawing entity that has elected under
712 Section 49-11-623, prior to January 1, 2017, to exclude:
- 713 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);
714 or
715 (ii) all employees from participation in this system under Subsection 49-11-623(3)(b);
- 716 (i) an employee described in Subsection (1)(i)(i) or (ii) who is employed with a
717 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018,
718 to exclude:
- 719 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);
720 or
721 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b);
- 722 (j) an employee who is employed with a withdrawing entity that has elected under
723 Section 49-11-625, before July 1, 2022, to exclude all employees from participation
724 in this system; or
- 725 (k) an employee who is employed with a withdrawing entity that elects under Section
726 49-11-626 to exclude:
- 727 (i) new employees from participation in this system under Subsection 49-11-626(3)(a);
728 or
729 (ii) all employees from participation in this system under Subsection 49-11-626(3)(b).
- 730 (2) If an employee whose status is temporary in nature due to the nature of type of work to
731 be performed:
- 732 (a) is employed for a term that exceeds six months and the employee otherwise qualifies
733 for service credit in this system, the participating employer shall report and certify to
734 the office that the employee is a regular full-time employee effective the beginning of
735 the seventh month of employment; or
- 736 (b) was previously terminated prior to being eligible for service credit in this system and
737 is reemployed within three months of termination by the same participating
738 employer, the participating employer shall report and certify that the member is a
739 regular full-time employee when the total of the periods of employment equals six
740 months and the employee otherwise qualifies for service credits in this system.
- 741 (3)(a) Upon cessation of the participating employer contributions, an employee under

- 742 Subsection (1)(b) is eligible for service credit in this system.
- 743 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service credit
744 earned by an employee under this chapter before July 1, 2009 is not affected under
745 Subsection (1)(f).
- 746 (c) Notwithstanding the provisions of Subsection (1)(g), any eligibility for service credit
747 earned by an employee under this chapter before July 1, 2014, is not affected under
748 Subsection (1)(g).
- 749 (4) Upon filing a written request for exemption with the office, the following employees
750 shall be exempt from coverage under this system:
- 751 (a) a full-time student or the spouse of a full-time student and individuals employed in a
752 trainee relationship;
- 753 (b) an elected official;
- 754 (c) an executive department head of the state, a member of the State Tax Commission, a
755 member of the Public Service Commission, and a member of a full-time or part-time
756 board or commission;
- 757 (d) an employee of the Governor's Office of Planning and Budget;
- 758 (e) an employee of the Governor's Office of Economic Opportunity;
- 759 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 760 (g) an employee of the ~~Governor's Office~~ Office of the Governor;
- 761 (h) an employee of the Public Lands Policy Coordinating Office, created in Section
762 63L-11-201;
- 763 (i) an employee of the State Auditor's Office;
- 764 (j) an employee of the State Treasurer's Office;
- 765 (k) any other member who is permitted to make an election under Section 49-11-406;
- 766 (l) a person appointed as a city manager or chief city administrator or another person
767 employed by a municipality, county, or other political subdivision, who is an at-will
768 employee;
- 769 (m) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
770 Interlocal Cooperation Act, who is engaged in a specialized trade customarily
771 provided through membership in a labor organization that provides retirement
772 benefits to the organization's members;
- 773 (n) an employee serving as an exchange employee from outside the state for an
774 employer who has elected to make all of the employer's exchange employees eligible
775 for service credit in this system; ~~and~~

- 776 (o) the adjutant general of the Utah National Guard appointed under Section 39A-1-201
 777 and each individual listed in Subsection [39A-1-203(1).] 39A-1-203(1); and
- 778 (p) an at-will employee who reports directly to:
 779 (i) the attorney general; or
 780 (ii) an employee who reports directly to the attorney general.
- 781 (5)(a) Each participating employer shall prepare and maintain a list designating those
 782 positions eligible for exemption under Subsection (4).
- 783 (b) An employee may not be exempted unless the employee is employed in an exempted
 784 position designated by the participating employer.
- 785 (6)(a) In accordance with this section, Section 49-13-203, and Section 49-22-205, a
 786 municipality, county, or political subdivision may not exempt a total of more than 50
 787 positions or a number equal to 10% of the eligible employees of the municipality,
 788 county, or political subdivision, whichever is less.
- 789 (b) A municipality, county, or political subdivision may exempt at least one regular
 790 full-time employee.
- 791 (7) Each participating employer shall:
 792 (a) maintain a list of employee exemptions; and
 793 (b) update the employee exemptions in the event of any change.
- 794 (8) The office may make rules to implement this section.
- 795 (9) An employee's exclusion, exemption, participation, or election described in this section:
 796 (a) shall be made in accordance with this section; and
 797 (b) is subject to requirements under federal law and rules made by the board.
- 798 Section 10. Section **49-12-401** is amended to read:
 799 **49-12-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**
 800 **-- Qualifications.**
- 801 (1) A member is qualified to receive an allowance from this system when:
 802 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
 803 ~~participating employer that employs the member~~] has a bona fide termination of
 804 employment before the member's retirement date and provides evidence of the
 805 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 four years of service credit and has attained an

- 810 age of 65 years;
- 811 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 812 of 62 years;
- 813 (iii) the member has accrued at least 20 years of service credit and has attained an age
- 814 of 60 years; or
- 815 (iv) the member has accrued at least 30 years of service credit.
- 816 (2)(a) The member's retirement date:
- 817 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 818 (ii) shall be on or after the date of termination; and
- 819 (iii) may not be more than 90 days before or after the date the application is received
- 820 by the office.
- 821 (b) Except as provided under Subsection (3), a member may not be employed by a
- 822 participating employer in the system established by this chapter on the retirement
- 823 date selected under Subsection (2)(a)(i).
- 824 (3)(a) A member who is employed by a participating employer and who is also an
- 825 elected official is not required to [~~ease service~~] terminate employment as an elected
- 826 official to be qualified to receive an allowance under Subsection (1), unless the
- 827 member is retiring from [~~service~~] employment as an elected official.
- 828 (b) A member who is employed by a participating employer and who is also a part-time
- 829 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 830 to [~~ease service~~] terminate employment as a part-time appointed board member to be
- 831 qualified to receive an allowance under Subsection (1).
- 832 (c) A member who is employed by a participating employer, who is also an affiliated
- 833 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 834 is not required to [~~ease service~~] terminate employment as an affiliated emergency
- 835 services worker to be qualified to receive an allowance under Subsection (1).
- 836 (d) A member who is employed by a participating employer and who is also a part-time
- 837 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 838 agency is not required to [~~ease service~~] terminate employment as a part-time
- 839 appointed or elected board member to be qualified to receive an allowance under
- 840 Subsection (1).
- 841 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain
- 842 qualified to receive an allowance as provided in Subsection (3) is available only for a
- 843 member who, at the time of retirement, is at least:

844 (a) 50 years old, if the member is retiring from a public safety system or firefighter
845 system; or

846 (b) 55 years old.

847 Section 11. Section **49-13-203** is amended to read:

848 **49-13-203 (Effective 05/06/26). Exclusions from membership in system.**

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

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

852 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
853 education who participates in a retirement system with a public or private retirement
854 system, organization, or company designated by the Utah Board of Higher Education,
855 or the technical college board of trustees for an employee of each technical college,
856 during any period in which required contributions based on compensation have been
857 paid on behalf of the employee by the employer;

858 (c) an employee serving as an exchange employee from outside the state for an employer
859 who has not elected to make all of the employer's exchange employees eligible for
860 service credit in this system;

861 (d) an executive department head of the state or a legislative director, senior executive
862 employed by the governor's office, a member of the State Tax Commission, a
863 member of the Public Service Commission, and a member of a full-time or part-time
864 board or commission who files a formal request for exemption;

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

867 (f) an employee who is employed with an employer that has elected to be excluded from
868 participation in this system under Subsection 49-13-202(5), effective on or after the
869 date of the employer's election under Subsection 49-13-202(5);

870 (g) an employee who is employed with a withdrawing entity that has elected under
871 Section 49-11-623, prior to January 1, 2017, to exclude:

872 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);
873 or

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

875 (h) an employee described in Subsection (1)(h)(i) or (ii) who is employed with a
876 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018,
877 to exclude:

- 878 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);
879 or
- 880 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b);
- 881 (i) an employee who is employed with a withdrawing entity that has elected under
882 Section 49-11-625, before July 1, 2022, to exclude all employees from participation
883 in this system; or
- 884 (j) an employee who is employed with a withdrawing entity that elects under Section
885 49-11-626 to exclude:
- 886 (i) new employees from participation in this system under Subsection 49-11-626(3)(a);
887 or
- 888 (ii) all employees from participation in this system under Subsection 49-11-626(3)(b).
- 889 (2) If an employee whose status is temporary in nature due to the nature of type of work to
890 be performed:
- 891 (a) is employed for a term that exceeds six months and the employee otherwise qualifies
892 for service credit in this system, the participating employer shall report and certify to
893 the office that the employee is a regular full-time employee effective the beginning of
894 the seventh month of employment; or
- 895 (b) was previously terminated prior to being eligible for service credit in this system and
896 is reemployed within three months of termination by the same participating
897 employer, the participating employer shall report and certify that the member is a
898 regular full-time employee when the total of the periods of employment equals six
899 months and the employee otherwise qualifies for service credits in this system.
- 900 (3)(a) Upon cessation of the participating employer contributions, an employee under
901 Subsection (1)(b) is eligible for service credit in this system.
- 902 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service credit
903 earned by an employee under this chapter before the date of the election under
904 Subsection 49-13-202(5) is not affected under Subsection (1)(f).
- 905 (4) Upon filing a written request for exemption with the office, the following employees
906 shall be exempt from coverage under this system:
- 907 (a) a full-time student or the spouse of a full-time student and individuals employed in a
908 trainee relationship;
- 909 (b) an elected official;
- 910 (c) an executive department head of the state, a member of the State Tax Commission, a
911 member of the Public Service Commission, and a member of a full-time or part-time

- 912 board or commission;
- 913 (d) an employee of the Governor's Office of Planning and Budget;
- 914 (e) an employee of the Governor's Office of Economic Opportunity;
- 915 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 916 (g) an employee of the [~~Governor's Office~~] Office of the Governor;
- 917 (h) an employee of the State Auditor's Office;
- 918 (i) an employee of the State Treasurer's Office;
- 919 (j) any other member who is permitted to make an election under Section 49-11-406;
- 920 (k) a person appointed as a city manager or chief city administrator or another person
- 921 employed by a municipality, county, or other political subdivision, who is an at-will
- 922 employee;
- 923 (l) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
- 924 Interlocal Cooperation Act, who is engaged in a specialized trade customarily
- 925 provided through membership in a labor organization that provides retirement
- 926 benefits to its members;
- 927 (m) an employee serving as an exchange employee from outside the state for an
- 928 employer who has elected to make all of the employer's exchange employees eligible
- 929 for service credit in this system; [~~and~~]
- 930 (n) the adjutant general of the Utah National Guard appointed under Section 39A-1-201
- 931 and each individual listed in Subsection [~~39A-1-203(1).~~] 39A-1-203(1); and
- 932 (o) an at-will employee who reports directly to:
- 933 (i) the attorney general; or
- 934 (ii) an employee who reports directly to the attorney general.
- 935 (5)(a) Each participating employer shall prepare and maintain a list designating those
- 936 positions eligible for exemption under Subsection (4).
- 937 (b) An employee may not be exempted unless the employee is employed in a position
- 938 designated by the participating employer.
- 939 (6)(a) In accordance with this section, Section 49-12-203, and Section 49-22-205, a
- 940 municipality, county, or political subdivision may not exempt a total of more than 50
- 941 positions or a number equal to 10% of the eligible employees of the municipality,
- 942 county, or political subdivision, whichever is less.
- 943 (b) A municipality, county, or political subdivision may exempt at least one regular
- 944 full-time employee.
- 945 (7) Each participating employer shall:

- 946 (a) maintain a list of employee exemptions; and
947 (b) update the employee exemptions in the event of any change.
948 (8) The office may make rules to implement this section.
949 (9) An employee's exclusion, exemption, participation, or election described in this section:
950 (a) shall be made in accordance with this section; and
951 (b) is subject to requirements under federal law and rules made by the board.

952 Section 12. Section **49-13-401** is amended to read:

953 **49-13-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**
954 **-- Qualifications.**

- 955 (1) A member is qualified to receive an allowance from this system when:
956 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
957 ~~participating employer that employs the member~~] has a bona fide termination of
958 employment before the member's retirement date and provides evidence of the
959 termination;
960 (b) the member has submitted to the office a retirement application form that states the
961 member's proposed retirement date; and
962 (c) one of the following conditions is met as of the member's retirement date:
963 (i) the member has accrued at least four years of service credit and has attained an
964 age of 65 years;
965 (ii) the member has accrued at least 10 years of service credit and has attained an age
966 of 62 years;
967 (iii) the member has accrued at least 20 years of service credit and has attained an age
968 of 60 years;
969 (iv) the member has accrued at least 30 years of service credit; or
970 (v) the member has accrued at least 25 years of service credit, in which case the
971 member shall be subject to the reduction under Subsection 49-13-402(2)(b).
972 (2)(a) The member's retirement date:
973 (i) shall be the 1st or the 16th day of the month, as selected by the member;
974 (ii) shall be on or after the date of termination; and
975 (iii) may not be more than 90 days before or after the date the application is received
976 by the office.
977 (b) Except as provided under Subsection (3), a member may not be employed by a
978 participating employer in the system established by this chapter on the retirement
979 date selected under Subsection (2)(a)(i).

- 980 (3)(a) A member who is employed by a participating employer and who is also an
 981 elected official is not required to [~~ease service~~] terminate employment as an elected
 982 official to be qualified to receive an allowance under Subsection (1), unless the
 983 member is retiring from [~~service~~] employment as an elected official.
- 984 (b) A member who is employed by a participating employer and who is also a part-time
 985 appointed board member, as described in Subsection 49-11-1203(2), is not required
 986 to [~~ease service~~] terminate employment as a part-time appointed board member to be
 987 qualified to receive an allowance under Subsection (1).
- 988 (c) A member who is employed by a participating employer, who is also an affiliated
 989 emergency services worker as defined in Section 49-11-1202 for a different agency,
 990 is not required to [~~ease service~~] terminate employment as an affiliated emergency
 991 services worker to be qualified to receive an allowance under Subsection (1).
- 992 (d) A member who is employed by a participating employer and who is also a part-time
 993 appointed or elected board member, as defined in Section 49-11-1202, for a different
 994 agency is not required to [~~ease service~~] terminate employment as a part-time
 995 appointed or elected board member to be qualified to receive an allowance under
 996 Subsection (1).
- 997 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain
 998 qualified to receive an allowance as provided in Subsection (3) is available only for a
 999 member who, at the time of retirement, is at least:
- 1000 (a) 50 years old, if the member is retiring from a public safety system or firefighter
 1001 system; or
- 1002 (b) 55 years old.

1003 Section 13. Section **49-14-401** is amended to read:

1004 **49-14-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**
 1005 **retirement -- Qualifications.**

- 1006 (1) A member is qualified to receive an allowance from this system when:
- 1007 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
 1008 ~~participating employer that employs the member~~] has a bona fide termination of
 1009 employment before the member's retirement date and provides evidence of the
 1010 termination;
- 1011 (b) the member has submitted to the office a retirement application form that states the
 1012 member's proposed retirement date; and
- 1013 (c) one of the following conditions is met as of the member's retirement date:

- 1014 (i) the member has accrued at least 20 years of service credit;
- 1015 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 1016 of 60 years; or
- 1017 (iii) the member has accrued at least four years of service credit and has attained an
- 1018 age of 65 years.
- 1019 (2)(a) The member's retirement date:
- 1020 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1021 (ii) shall be on or after the date of termination; and
- 1022 (iii) may not be more than 90 days before or after the date the application is received
- 1023 by the office.
- 1024 (b) Except as provided under Subsection (3), a member may not be employed by a
- 1025 participating employer in the system established by this chapter on the retirement
- 1026 date selected under Subsection (2)(a)(i).
- 1027 (3)(a) A member who is employed by a participating employer and who is also an
- 1028 elected official is not required to [~~cease service~~] terminate employment as an elected
- 1029 official to be qualified to receive an allowance under Subsection (1), unless the
- 1030 member is retiring from [~~service~~] employment as an elected official.
- 1031 (b) A member who is employed by a participating employer and who is also a part-time
- 1032 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 1033 to [~~cease service~~] terminate employment as a part-time appointed board member to be
- 1034 qualified to receive an allowance under Subsection (1).
- 1035 (c) A member who is employed by a participating employer, who is also an affiliated
- 1036 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 1037 is not required to [~~cease service~~] terminate employment as an affiliated emergency
- 1038 services worker to be qualified to receive an allowance under Subsection (1).
- 1039 (d) A member who is employed by a participating employer and who is also a part-time
- 1040 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 1041 agency is not required to [~~cease service~~] terminate employment as a part-time
- 1042 appointed or elected board member to be qualified to receive an allowance under
- 1043 Subsection (1).
- 1044 (4) An exemption from the requirement to [~~cease service~~] terminate employment and remain
- 1045 qualified to receive an allowance as provided in Subsection (3) is available only for a
- 1046 member who, at the time of retirement, is at least:
- 1047 (a) 50 years old, if the member is retiring from a public safety system or firefighter

1048 system; or

1049 (b) 55 years old.

1050 Section 14. Section **49-15-401** is amended to read:

1051 **49-15-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**
1052 **retirement -- Qualifications.**

1053 (1) A member is qualified to receive an allowance from this system when:

1054 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
1055 ~~participating employer that employs the member~~] has a bona fide termination of
1056 employment before the member's retirement date and provides evidence of the
1057 termination;

1058 (b) the member has submitted to the office a retirement application form that states the
1059 member's proposed retirement date; and

1060 (c) one of the following conditions is met as of the member's retirement date:

1061 (i) the member has accrued at least 20 years of service credit;

1062 (ii) the member has accrued at least 10 years of service credit and has attained an age
1063 of 60 years; or

1064 (iii) the member has accrued at least four years of service and has attained an age of
1065 65 years.

1066 (2)(a) The member's retirement date:

1067 (i) shall be the 1st or the 16th day of the month, as selected by the member;

1068 (ii) shall be on or after the date of termination; and

1069 (iii) may not be more than 90 days before or after the date the application is received
1070 by the office.

1071 (b) Except as provided under Subsection (3), a member may not be employed by a
1072 participating employer in the system established by this chapter on the retirement
1073 date selected under Subsection (2)(a)(i).

1074 (3)(a) A member who is employed by a participating employer and who is also an
1075 elected official is not required to [~~cease service~~] terminate employment as an elected
1076 official to be qualified to receive an allowance under Subsection (1), unless the
1077 member is retiring from [~~service~~] employment as an elected official.

1078 (b) A member who is employed by a participating employer and who is also a part-time
1079 appointed board member, as described in Subsection 49-11-1203(2), is not required
1080 to [~~cease service~~] terminate employment as a part-time appointed board member to be
1081 qualified to receive an allowance under Subsection (1).

- 1082 (c) A member who is employed by a participating employer, who is also an affiliated
1083 emergency services worker as defined in Section 49-11-1202 for a different agency,
1084 is not required to ~~[ease-service]~~ terminate employment as an affiliated emergency
1085 services worker to be qualified to receive an allowance under Subsection (1).
- 1086 (d) A member who is employed by a participating employer and who is also a part-time
1087 appointed or elected board member, as defined in Section 49-11-1202, for a different
1088 agency is not required to ~~[ease-service]~~ terminate employment as a part-time
1089 appointed or elected board member to be qualified to receive an allowance under
1090 Subsection (1).
- 1091 (4) An exemption from the requirement to ~~[ease-service]~~ terminate employment and remain
1092 qualified to receive an allowance as provided in Subsection (3) is available only for a
1093 member who, at the time of retirement, is at least:
- 1094 (a) 50 years old, if the member is retiring from a public safety system or firefighter
1095 system; or
- 1096 (b) 55 years old.
- 1097 Section 15. Section **49-16-401** is amended to read:
- 1098 **49-16-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**
1099 **retirement -- Qualifications.**
- 1100 (1) A member is qualified to receive an allowance from this system when:
- 1101 (a) except as provided under Subsection (3), the member ~~[eases-actual-work-for-every~~
1102 ~~participating-employer-that-employs-the-member]~~ has a bona fide termination of
1103 employment before the member's retirement date and provides evidence of the
1104 termination;
- 1105 (b) the member has submitted to the office a retirement application form that states the
1106 member's proposed retirement date; and
- 1107 (c) one of the following conditions is met as of the member's retirement date:
- 1108 (i) the member has accrued at least 20 years of service credit;
- 1109 (ii) the member has accrued at least 10 years of service credit and has attained an age
1110 of 60 years; or
- 1111 (iii) the member has accrued at least four years of service credit and has attained an
1112 age of 65 years.
- 1113 (2)(a) The member's retirement date:
- 1114 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service
1115 employee;

1116 (ii) shall be on or after the date of termination; and
 1117 (iii) may not be more than 90 days before or after the date the application is received
 1118 by the office.

1119 (b) Except as provided under Subsection (3), a member may not be employed by a
 1120 participating employer in the system established by this chapter on the retirement
 1121 date selected under Subsection (2)(a)(i).

1122 (3)(a) A member who is employed by a participating employer and who is also an
 1123 elected official is not required to [~~cease service~~] terminate employment as an elected
 1124 official to be qualified to receive an allowance under Subsection (1), unless the
 1125 member is retiring from [~~service~~] employment as an elected official.

1126 (b) A member who is employed by a participating employer and who is also a part-time
 1127 appointed board member, as described in Subsection 49-11-1203(2), is not required
 1128 to [~~cease service~~] terminate employment as a part-time appointed board member to be
 1129 qualified to receive an allowance under Subsection (1).

1130 (c) A member who is employed by a participating employer, who is also an affiliated
 1131 emergency services worker as defined in Section 49-11-1202 for a different agency,
 1132 is not required to [~~cease service~~] terminate employment as an affiliated emergency
 1133 services worker to be qualified to receive an allowance under Subsection (1).

1134 (d) A member who is employed by a participating employer and who is also a part-time
 1135 appointed or elected board member, as defined in Section 49-11-1202, for a different
 1136 agency is not required to [~~cease service~~] terminate employment as a part-time
 1137 appointed or elected board member to be qualified to receive an allowance under
 1138 Subsection (1).

1139 (4) An exemption from the requirement to [~~cease service~~] terminate employment and remain
 1140 qualified to receive an allowance as provided in Subsection (3) is available only for a
 1141 member who, at the time of retirement, is at least:

1142 (a) 50 years old, if the member is retiring from a public safety system or firefighter
 1143 system; or

1144 (b) 55 years old.

1145 Section 16. Section **49-17-401** is amended to read:

1146 **49-17-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**
 1147 **-- Qualifications.**

1148 (1) A member is qualified to receive an allowance when:

1149 (a) the member [~~ceases actual work for every participating employer that employs the~~

- 1150 member] has a bona fide termination of employment before the member's retirement
 1151 date and provides evidence of the termination;
- 1152 (b) the member has submitted to the office a retirement application form that states the
 1153 member's proposed retirement date; and
- 1154 (c) one of the following conditions is met as of the member's retirement date:
- 1155 (i) the member has accrued at least six years of service credit and has attained an age
 1156 of 70 years;
- 1157 (ii) the member has accrued at least 10 years of service credit and has attained an age
 1158 of 62 years;
- 1159 (iii) the member has accrued at least 20 years of service credit and has attained an age
 1160 of 55 years; or
- 1161 (iv) the member has accrued at least 25 years of service credit.
- 1162 (2)(a) The member's retirement date:
- 1163 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1164 (ii) shall be on or after the date of termination; and
- 1165 (iii) may not be more than 90 days before or after the date the application is received
 1166 by the office.
- 1167 (b) A member may not be employed by a participating employer in the system
 1168 established by this chapter on the retirement date selected under Subsection (2)(a)(i).
- 1169 Section 17. Section **49-18-401** is amended to read:
- 1170 **49-18-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**
 1171 **-- Qualifications.**
- 1172 (1) A member is qualified to receive an allowance when:
- 1173 (a) the member [~~ceases actual work for every participating employer that employs the~~
 1174 member] has a bona fide termination of employment before the member's retirement
 1175 date and provides evidence of the termination;
- 1176 (b) the member has submitted to the office a retirement application form that states the
 1177 member's proposed retirement date; and
- 1178 (c) one of the following conditions is met as of the member's retirement date:
- 1179 (i) the member has accrued at least six years of service credit and has attained an age
 1180 of 70 years;
- 1181 (ii) the member has accrued at least 10 years of service credit and has attained an age
 1182 of 62 years;
- 1183 (iii) the member has accrued at least 20 years of service credit and has attained an age

- 1184 of 55 years; or
- 1185 (iv) the member has accrued at least 25 years of service credit.
- 1186 (2)(a) The member's retirement date:
- 1187 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1188 (ii) shall be on or after the date of termination; and
- 1189 (iii) may not be more than 90 days before or after the date the application is received
- 1190 by the office.
- 1191 (b) A member may not be employed by a participating employer in the system
- 1192 established by this chapter on the retirement date selected under Subsection (2)(a)(i).
- 1193 Section 18. Section **49-22-205** is amended to read:
- 1194 **49-22-205 (Effective 05/06/26). Exemptions from participation in system.**
- 1195 (1) Upon filing a written request for exemption with the office, the following employees are
- 1196 exempt from participation in the system as provided in this section:
- 1197 (a) an executive department head of the state;
- 1198 (b) a member of the State Tax Commission;
- 1199 (c) a member of the Public Service Commission;
- 1200 (d) a member of a full-time or part-time board or commission;
- 1201 (e) an employee of the Governor's Office of Planning and Budget;
- 1202 (f) an employee of the Governor's Office of Economic Opportunity;
- 1203 (g) an employee of the Commission on Criminal and Juvenile Justice;
- 1204 (h) an employee of the ~~[Governor's Office]~~ Office of the Governor;
- 1205 (i) an employee of the State Auditor's Office;
- 1206 (j) an employee of the State Treasurer's Office;
- 1207 (k) any other member who is permitted to make an election under Section 49-11-406;
- 1208 (l) a person appointed as a city manager or appointed as a city administrator or another
- 1209 at-will employee of a municipality, county, or other political subdivision;
- 1210 (m) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
- 1211 Interlocal Cooperation Act, who is engaged in a specialized trade customarily
- 1212 provided through membership in a labor organization that provides retirement
- 1213 benefits to its members;
- 1214 (n) an employee serving as an exchange employee from outside the state for an
- 1215 employer who has elected to make all of the employer's exchange employees eligible
- 1216 for service credit in this system;~~[-and]~~
- 1217 (o) the adjutant general of the Utah National Guard appointed under Section 39A-1-201

- 1218 and each individual listed in Subsection [~~39A-1-203(1).~~] 39A-1-203(1); and
- 1219 (p) an at-will employee who reports directly to:
- 1220 (i) the attorney general; or
- 1221 (ii) an employee who reports directly to the attorney general.
- 1222 (2)(a) A participating employer shall prepare and maintain a list designating those
- 1223 positions eligible for exemption under Subsection (1).
- 1224 (b) An employee may not be exempted unless the employee is employed in a position
- 1225 designated by the participating employer under Subsection (1).
- 1226 (3)(a) In accordance with this section, Section 49-12-203, and Section 49-13-203, a
- 1227 municipality, county, or political subdivision may not exempt a total of more than 50
- 1228 positions or a number equal to 10% of the eligible employees of the municipality,
- 1229 county, or political subdivision, whichever is less.
- 1230 (b) A municipality, county, or political subdivision may exempt at least one regular
- 1231 full-time employee.
- 1232 (4) Each participating employer shall:
- 1233 (a) maintain a list of employee exemptions; and
- 1234 (b) update an employee exemption in the event of any change.
- 1235 (5) Beginning on the effective date of the exemption for an employee who elects to be
- 1236 exempt in accordance with Subsection (1):
- 1237 (a) for a member of the Tier II defined contribution plan:
- 1238 (i) the participating employer shall contribute the nonelective contribution and the
- 1239 amortization rate described in Section 49-22-401, except that the nonelective
- 1240 contribution is exempt from the vesting requirements of Subsection
- 1241 49-22-401(3)(a);
- 1242 (ii) the member may make voluntary deferrals as provided in Section 49-22-401; and
- 1243 (iii) the member is not eligible for additional service credit in the plan for the period
- 1244 of exempt employment; and
- 1245 (b) for a member of the Tier II hybrid retirement system:
- 1246 (i) the participating employer shall contribute the nonelective contribution and the
- 1247 amortization rate described in Section 49-22-401, except that the contribution is
- 1248 exempt from the vesting requirements of Subsection 49-22-401(3)(a);
- 1249 (ii) the member may make voluntary deferrals as provided in Section 49-22-401; and
- 1250 (iii) the member is not eligible for additional service credit in the system for the
- 1251 period of exempt employment.

- 1252 (6) If an employee who is a member of the Tier II hybrid retirement system subsequently
 1253 revokes the election of exemption made under Subsection (1), the provisions described
 1254 in Subsection (5)(b) shall no longer be applicable and the coverage for the employee
 1255 shall be effective prospectively as provided in Part 3, Tier II Hybrid Retirement System.
- 1256 (7)(a) All employer contributions made on behalf of an employee shall be invested in
 1257 accordance with Subsection 49-22-303(3)(a) or 49-22-401(4)(a) until the one-year
 1258 election period under Subsection 49-22-201(2)(c) is expired if the employee:
 1259 (i) elects to be exempt in accordance with Subsection (1); and
 1260 (ii) continues employment with the participating employer through the one-year
 1261 election period under Subsection 49-22-201(2)(c).
- 1262 (b) An employee is entitled to receive a distribution of the employer contributions made
 1263 on behalf of the employee and all associated investment gains and losses if the
 1264 employee:
 1265 (i) elects to be exempt in accordance with Subsection (1); and
 1266 (ii) terminates employment prior to the one-year election period under Subsection
 1267 49-22-201(2)(c).
- 1268 (8)(a) The office shall make rules to implement this section.
- 1269 (b) The rules made under this Subsection (8) shall include provisions to allow the
 1270 exemption provided under Subsection (1) to apply to all contributions made
 1271 beginning on or after July 1, 2011, on behalf of an exempted employee who began
 1272 the employment before May 8, 2012.
- 1273 (9) An employee's exemption, participation, or election described in this section:
 1274 (a) shall be made in accordance with this section; and
 1275 (b) is subject to requirements under federal law and rules made by the board.
- 1276 Section 19. Section **49-22-304** is amended to read:
 1277 **49-22-304 (Effective 05/06/26). Defined benefit eligibility for an allowance --**
 1278 **Date of retirement -- Qualifications.**
- 1279 (1) A member is qualified to receive an allowance from this system when:
 1280 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
 1281 ~~participating employer that employs the member~~] has a bona fide termination of
 1282 employment before the member's retirement date and provides evidence of the
 1283 termination;
 1284 (b) the member has submitted to the office a retirement application form that states the
 1285 member's proposed retirement date; and

- 1286 (c) one of the following conditions is met as of the member's retirement date:
- 1287 (i) the member has accrued at least four years of service credit and has attained an
- 1288 age of 65 years;
- 1289 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 1290 of 62 years;
- 1291 (iii) the member has accrued at least 20 years of service credit and has attained an age
- 1292 of 60 years; or
- 1293 (iv) the member has accrued at least 35 years of service credit.
- 1294 (2)(a) The member's retirement date:
- 1295 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1296 (ii) shall be on or after the date of termination; and
- 1297 (iii) may not be more than 90 days before or after the date the application is received
- 1298 by the office.
- 1299 (b) Except as provided under Subsection (3), a member may not be employed by a
- 1300 participating employer in the system established by this chapter on the retirement
- 1301 date selected under Subsection (2)(a)(i).
- 1302 (3)(a) A member who is employed by a participating employer and who is also an
- 1303 elected official is not required to ~~[cease service]~~ terminate employment as an elected
- 1304 official to be qualified to receive an allowance under Subsection (1), unless the
- 1305 member is retiring from ~~[service]~~ employment as an elected official.
- 1306 (b) A member who is employed by a participating employer and who is also a part-time
- 1307 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 1308 to ~~[cease service]~~ terminate employment as a part-time appointed board member to be
- 1309 qualified to receive an allowance under Subsection (1).
- 1310 (c) A member who is employed by a participating employer, who is also an affiliated
- 1311 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 1312 is not required to ~~[cease service]~~ terminate employment as an affiliated emergency
- 1313 services worker to be qualified to receive an allowance under Subsection (1).
- 1314 (d) A member who is employed by a participating employer and who is also a part-time
- 1315 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 1316 agency is not required to ~~[cease service]~~ terminate employment as a part-time
- 1317 appointed or elected board member to be qualified to receive an allowance under
- 1318 Subsection (1).
- 1319 (4) An exemption from the requirement to ~~[cease service]~~ terminate employment and remain

1320 qualified to receive an allowance as provided in Subsection (3) is available only for a
 1321 member who, at the time of retirement, is at least:

- 1322 (a) 50 years old, if the member is retiring from a public safety system or firefighter
 1323 system; or
 1324 (b) 55 years old.

1325 Section 20. Section **49-23-303** is amended to read:

1326 **49-23-303 (Effective 05/06/26). Defined benefit eligibility for an allowance --**
 1327 **Date of retirement -- Qualifications.**

1328 (1) A member is qualified to receive an allowance from this system when:

- 1329 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~
 1330 ~~participating employer that employs the member~~] has a bona fide termination of
 1331 employment before the member's retirement date and provides evidence of the
 1332 termination;
 1333 (b) the member has submitted to the office a retirement application form that states the
 1334 member's proposed retirement date; and
 1335 (c) one of the following conditions is met as of the member's retirement date:
 1336 (i) the member has accrued at least four years of service credit and has attained an
 1337 age of 65 years;
 1338 (ii) the member has accrued at least 10 years of service credit and has attained an age
 1339 of 62 years;
 1340 (iii) the member has accrued at least 20 years of service credit and has attained an age
 1341 of 60 years; or
 1342 (iv) the member has accrued at least 25 years of service credit.

1343 (2)(a) The member's retirement date:

- 1344 (i) shall be the 1st or the 16th day of the month, as selected by the member;
 1345 (ii) shall be on or after the date of termination; and
 1346 (iii) may not be more than 90 days before or after the date the application is received
 1347 by the office.

1348 (b) Except as provided under Subsection (3), a member may not be employed by a
 1349 participating employer in the system established by this chapter on the retirement
 1350 date selected under Subsection (2)(a)(i).

1351 (3)(a) A member who is employed by a participating employer and who is also an
 1352 elected official is not required to [~~cease service~~] terminate employment as an elected
 1353 official to be qualified to receive an allowance under Subsection (1), unless the

- 1354 member is retiring from [~~service~~] employment as an elected official.
- 1355 (b) A member who is employed by a participating employer and who is also a part-time
1356 appointed board member, as described in Subsection 49-11-1203(2), is not required
1357 to [~~ease service~~] terminate employment as a part-time appointed board member to be
1358 qualified to receive an allowance under Subsection (1).
- 1359 (c) A member who is employed by a participating employer, who is also an affiliated
1360 emergency services worker as defined in Section 49-11-1202 for a different agency,
1361 is not required to [~~ease service~~] terminate employment as an affiliated emergency
1362 services worker to be qualified to receive an allowance under Subsection (1).
- 1363 (d) A member who is employed by a participating employer and who is also a part-time
1364 appointed or elected board member, as defined in Section 49-11-1202, for a different
1365 agency is not required to [~~ease service~~] terminate employment as a part-time
1366 appointed or elected board member to be qualified to receive an allowance under
1367 Subsection (1).
- 1368 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain
1369 qualified to receive an allowance as provided in Subsection (3) is available only for a
1370 member who, at the time of retirement, is at least:
- 1371 (a) 50 years old, if the member is retiring from a public safety system or firefighter
1372 system; or
- 1373 (b) 55 years old.

1374 Section 21. **Effective Date.**

1375 This bill takes effect on May 6, 2026.