

Postretirement Reemployment for Emergency Services Workers

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor:

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

49-11-1205 . Postretirement reemployment restriction exceptions.

- (1)(a) The office may not cancel the retirement allowance of a retiree who is reemployed with a participating employer within one year of the retiree's retirement date if:
- (i) the retiree is not reemployed by a participating employer for a period of at least 60 days from the retiree's retirement date;
 - (ii) the retiree has a bona fide termination of employment on the retiree's retirement date;
 - (iii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree does not receive any employer paid benefits, including:

- 32 (A) retirement service credit or retirement-related contributions;
33 (B) medical benefits;
34 (C) dental benefits;
35 (D) other insurance benefits except for workers' compensation as provided under
36 Title 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah
37 Occupational Disease Act, and withholdings required by federal or state law
38 for social security, Medicare, and unemployment insurance; or
39 (E) paid time off, including sick, annual, or other type of leave; and
40 (iv)(A) the retiree does not earn in any calendar year of reemployment an amount
41 in excess of the lesser of \$15,000 or one-half of the retiree's final average
42 salary upon which the retiree's retirement allowance is based; or
43 (B) the retiree is reemployed as a judge as defined under Section 78A-11-102.
44 (b) The board shall adjust the amounts under Subsection (1)(a)(iv) by the annual change
45 in the Consumer Price Index during the previous calendar year as measured by a
46 United States Bureau of Labor Statistics Consumer Price Index average as
47 determined by the board.
48 (2) A retiree shall be considered as having completed the one-year separation from
49 employment with a participating employer described in Section 49-11-1204, if the
50 retiree:
51 (a) before retiring:
52 (i) was employed with a participating employer as a public safety service employee
53 as defined in Section 49-14-102, 49-15-102, or 49-23-102;
54 (ii) during the employment under Subsection (2)(a)(i), suffered a physical injury
55 resulting from external force or violence while performing the duties of the
56 employment, for which injury the retiree would have been approved for total
57 disability in accordance with the provisions under Chapter 21, Public Employees'
58 Long-Term Disability Act, if years of service are not considered;
59 (iii) had less than 30 years of service credit but had sufficient service credit to retire,
60 with an unreduced allowance making the public safety service employee ineligible
61 for long-term disability payments under Chapter 21, Public Employees'
62 Long-Term Disability Act, or a substantially similar long-term disability program;
63 (iv) does not receive any long-term disability benefits from any participating
64 employer; and
65 (v) is at least 50 years old; and

(b) is reemployed by a different participating employer.

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

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

~~[(ii) a length-of-service award;]~~

(i) compensation, including any payment, discount, tax credit, voucher, or cash equivalent, the total of which, excluding any amount described in Subsection (3)(a)(ii) or (iii), does not exceed in any calendar year the amount described in Subsection (1)(a)(iv)(A), as adjusted in accordance with Subsection (1)(b);

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

~~[(iv)]~~ (iii) reimbursement of expenses incurred in the performance of duties.

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

~~[(c) The board shall adjust the amount under Subsection (3)(b) by the annual change in the Consumer Price Index during the previous calendar year as measured by a United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.]~~

~~[(d)]~~ (b) A retiree is eligible for an exemption from the requirement to cease service without cancellation of a retirement allowance under this Subsection (3) only if the retiree, at the time of retirement, is at least:

(i) 50 years old, if the retiree is retiring from a public safety system or a firefighter system; or

(ii) 55 years old.

(4)(a) The office may not cancel the retirement allowance of a retiree who is employed as a part-time appointed or elected board member within one year after the retiree's retirement date if the part-time appointed or elected board member does not receive any compensation exceeding the amount described in this Subsection (4).

- (b) A retiree who is a part-time appointed or elected board member for one or more boards, commissions, councils, committees, panels, or other bodies of participating employers:
- (i) may receive an aggregate amount of compensation, remuneration, a stipend, or other benefit for service on a single or multiple boards, commissions, councils, committees, panels, or other bodies of no more than \$5,000 per year; and
 - (ii) may not receive an employer paid retirement service credit or retirement-related contribution.
- (c) For purposes of Subsection (4)(b)(i):
- (i) a part-time appointed or elected board member's compensation includes:
 - (A) an amount paid for the part-time appointed or elected board member's coverage in a group insurance plan provided by the participating employer; and
 - (B) the part-time appointed or elected board member's receipt of any other benefit provided by the participating employer; and
 - (ii) the part-time appointed or elected board member's compensation does not include:
 - (A) an amount the participating employer pays for employer-matching employment taxes, if the participating employer treats the part-time appointed or elected board member as an employee for federal tax purposes; or
 - (B) an amount that the part-time appointed or elected board member receives for per diem and travel expenses for up to 12 approved meetings or activities of the government board per year, if the per diem and travel expenses do not exceed the amounts established by the Division of Finance under Sections 63A-3-106 and 63A-3-107 or by rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.
- (d) The board shall adjust the amount under Subsection (4)(b)(i) by the annual change in the Consumer Price Index during the previous calendar year as measured by a United States Bureau of Labor Statistics Consumer Price Index average, as determined by the board.
- (5)(a) The office may not cancel the retirement allowance of a retiree who is reemployed with a participating employer within one year of the retiree's retirement date if:
- (i) the retiree has a bona fide termination of employment on the retiree's retirement date;
 - (ii) the retiree is not employed, including by a fee-for-service relationship, with any

- 134 participating employer for a period of:
- 135 (A) at least 90 days if the retiree is a public employee retiree; or
- 136 (B) at least 90 days if the retiree is a public safety or firefighter retiree;
- 137 (iii) the retiree agrees to a modified retirement allowance as described in Subsections
- 138 (5)(b), (c), and (d); and
- 139 (iv) the participating employer that reemploys the retiree agrees to pay to the office
- 140 the normal cost rate in addition to the amortization rate.
- 141 (b) During a period of reemployment, the retiree:
- 142 (i) receives a retirement allowance that is 20% less than the retirement allowance the
- 143 retiree is entitled to receive in accordance with:
- 144 (A) for a retiree who retired under Chapter 12, Public Employees' Contributory
- 145 Retirement Act, Section 49-12-402;
- 146 (B) for a retiree who retired under Chapter 13, Public Employees' Noncontributory
- 147 Retirement Act, Section 49-13-402; or
- 148 (C) for a retiree who retired under Chapter 22, Part 3, Tier II Hybrid Retirement
- 149 System, Section 49-22-305; or
- 150 (ii) a retirement allowance that is 15% less than the retirement allowance the retiree is
- 151 entitled to receive in accordance with:
- 152 (A) for a retiree who retired under Chapter 14, Public Safety Contributory
- 153 Retirement Act, Section 49-14-402;
- 154 (B) for a retiree who retired under Chapter 15, Public Safety Noncontributory
- 155 Retirement Act, Section 49-15-402;
- 156 (C) for a retiree who retired under Chapter 16, Firefighters' Retirement Act,
- 157 Section 49-16-402; or
- 158 (D) for a retiree who retired under Chapter 23, Part 3, Tier II Hybrid Retirement
- 159 System, Section 49-23-304.
- 160 (c) During the period of reemployment, the retiree does not receive the annual
- 161 cost-of-living adjustment described in:
- 162 (i) for a retiree who retired under Chapter 12, Public Employees' Contributory
- 163 Retirement Act, Section 49-12-407;
- 164 (ii) for a retiree who retired under Chapter 13, Public Employees' Noncontributory
- 165 Retirement Act, Section 49-13-407;
- 166 (iii) for a retiree who retired under Chapter 14, Public Safety Contributory
- 167 Retirement Act, Section 49-14-403;

- (iv) for a retiree who retired under Chapter 15, Public Safety Noncontributory Retirement Act, Section 49-15-403;
- (v) for a retiree who retired under Chapter 16, Firefighters' Retirement Act, Section 49-16-403;
- (vi) for a retiree who retired under Chapter 22, Part 3, Tier II Hybrid Retirement System, Section 49-22-308; or
- (vii) for a retiree who retired under Chapter 23, Part 3, Tier II Hybrid Retirement System, Section 49-23-307.

(d)(i) The office shall begin paying the retiree's full retirement allowance on the first day of the month following the month in which the office receives written notification that the reemployed retiree has a subsequent retirement date based on a termination of the reemployment.

(ii)(A) For purposes of Subsection (5)(d)(i), the full retirement allowance includes the elimination of the allowance reduction described in Subsection (5)(b)(i) or (5)(b)(ii) and the annual cost-of-living adjustment that was prohibited under Subsection (5)(c) during the period of reemployment.

(B) A retiree may not receive the difference between the full retirement allowance and the reduced retirement allowance described in Subsection (5)(b)(i) or (5)(b)(ii) or the annual cost-of-living adjustment that the retiree would have received if the retiree had not been reemployed.

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

(b) The office shall cancel the retirement allowance of a retiree for the remainder of the calendar year if the reemployment with a participating employer exceeds the limitation under Subsection (1)(a)(iv), (3)~~(b)~~ (a), or (4)(b).

(7) A retiree who is reemployed under the provisions of Subsection (5) may not subsequently be reemployed under Section 49-11-1204 unless the office cancels the retirement allowance during the subsequent reemployment.

Section 2. **Effective Date.**

This bill takes effect on July 1, 2025.