

PUBLIC EMPLOYEES EARLY RETIREMENT

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael R. Styler

AN ACT RELATING TO PENSIONS; PROVIDING AN OPTION FOR PUBLIC EMPLOYERS TO PARTICIPATE IN AN EARLY RETIREMENT PROGRAM; PROVIDING TIME LIMITS FOR CONVERSION TO THE PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

49-3-411, Utah Code Annotated 1953

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

Section 1. Section **49-3-411** is enacted to read:

49-3-411. Early retirement penalty reduction program -- Employer's option.

(1) (a) Any employing unit which elects to participate in the program under this section may contribute to the retirement office the actuarially determined amount necessary to eliminate ~~h [95] 50 h~~ % of the reduction set out under Subsection 49-3-402(2)(b) for members who are eligible for retirement under Subsection 49-3-401(2)(e).

(b) The employee is responsible for contributing the remaining ~~h [5] 50 h~~ % to eliminate the reduction prior to the member's effective retirement date.

(c) The board shall establish a separate rate for all employing units which elect to participate in this early retirement program and shall adopt rules to administer this section, including rules regarding transfer and participation procedures.

(2) The following laws govern conversion to, and participation in, the early retirement program under this section:

(a) (i) The state, its political subdivisions, educational institutions, and districts that are participating employers in the system under this chapter may elect to participate in this early retirement program by following the participation procedures adopted by the board.

1 (ii) The election to participate in this early retirement program shall be made prior to
2 January 1, 1999.

3 (iii) Employees of the state, political subdivision, educational institution, or district who
4 are members of the system under Title 49, Chapter 2, Public Employees' Retirement Act, on July
5 1, 1998, may then elect to remain in that system or transfer to this system by following the transfer
6 procedures adopted by the board. The employee's election to transfer to this system shall be made
7 prior to January 1, 1999.

8 (b) (i) Political subdivisions, educational institutions, and districts that are participating
9 employers in the system under Title 49, Chapter 2, Public Employees' Retirement Act, may elect
10 to participate in the system under this chapter and this early retirement program by following the
11 participation and transfer procedures adopted by the board.

12 (ii) The election to participate in the system under this chapter and in this early retirement
13 program shall be made prior to January 1, 1999.

14 (iii) Employees political subdivision, educational institution, or district who are members
15 of the system under Title 49, Chapter 2, Public Employees' Retirement Act, at the time the political
16 subdivision, educational institution, or district elects to participate in the system under this chapter
17 may elect to remain in that system or transfer to the system under this chapter by following the
18 transfer procedures adopted by the board. The election to transfer to the system under this chapter
19 shall be made prior to July 1, 1999.

20 (iv) All new employees hired after the political subdivision, educational institution, or
21 district elects to participate in the system under this chapter are automatically members of the
22 system under this chapter.

23 (c) (i) The state, political subdivision, educational institution, or district shall indicate
24 whether or not it elects to participate in the system under this chapter, this program, or both, by
25 enacting a statute, resolution, or ordinance to that effect.

26 (ii) (A) Prior to the enactment of the resolution or ordinance by a political subdivision,
27 educational institution, or district, a hearing shall be held, at which time all employees of the
28 political subdivision, educational institution, or district shall be given an opportunity to be heard
29 on the question of participating in the system under this chapter.

30 (B) Any decision to participate by a school district, an applied technology center, or the
31 Utah Schools for the Deaf and Blind shall be based upon an agreement with a majority of its

1 employees.

2 (C) Notice of the hearing shall be mailed to all employees no more than 30 days prior to
3 the hearing and shall contain the time, place, date, and purpose of the hearing.

4 Section 2. **Effective date.**

5 This act takes effect on July 1, 1998.

Legislative Review Note
as of 12-23-97 9:42 AM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel