

**STATE AND LOCAL GOVERNMENT
SEVERANCE PACKAGE AUTHORITY**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Gary F. Cox

AN ACT RELATING TO PUBLIC OFFICERS; PROVIDING RESTRICTIONS ON SEVERANCE PAY TO OFFICERS AND EMPLOYEES OF GOVERNMENTAL ENTITIES.

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

ENACTS:

52-5-101, Utah Code Annotated 1953

52-5-102, Utah Code Annotated 1953

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

Section 1. Section **52-5-101** is enacted to read:

CHAPTER 5. COMPENSATION

52-5-101. Definitions.

As used in this chapter:

(1) "Employee" includes a governmental entity's officers and employees.

(2) "Governmental entity" means:

(a) the entities included in the definition of "governmental entity" under Subsection 36-21-1(1); and

(b) the Legislature.

(3) (a) "Severance pay" means money or other form of remuneration paid or given to an employee at the time of termination of employment with a governmental entity.

(b) "Severance pay" does not include \hat{h} :

(i) \hat{h} accrued:

\hat{h} [(~~i~~)] (A) \hat{h} vacation pay;

26 ~~h~~ [(ii) (B) ~~h~~ compensatory ~~h~~ LEAVE ~~h~~ pay; or

27 ~~h~~ [(iii) (C) ~~h~~ sick pay ~~h~~ ;

27a (ii) FUNDS IN A RETIREMENT OR PENSION PLAN THAT HAVE ACCUMULATED OVER THE
27b COURSE OF THE EMPLOYEE'S EMPLOYMENT; OR

27c (iii) REMUNERATION PAID TO AN EMPLOYEE IN SETTLEMENT OF A LIABILITY CLAIM OR
27d LAWSUIT THAT DOES NOT INVOLVE THE ISSUE OF WHETHER THE EMPLOYEE IS ENTITLED TO
27e SEVERANCE PAY ~~h~~ .

1 Section 2. Section **52-5-102** is enacted to read:

2 **52-5-102. Limitation on severance pay.**

3 A governmental entity may not grant severance pay to an employee that exceeds the
4 amount of the regular salary or wage received by the employee during the employee's last six
5 months of employment.

Legislative Review Note
as of 1-20-98 3:46 PM

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

Office of Legislative Research and General Counsel