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2	1998 GENERAL SESSION
3	STATE OF UTAH
4	Sponsor: Christine R. Fox-Finlinson
5	AN ACT RELATING TO RETIREMENT; ALLOWING CERTAIN EXECUTIVES OF THE
6	GOVERNOR'S OFFICE TO BE EXCLUDED FROM THE STATE RETIREMENT SYSTEM.
7	This act affects sections of Utah Code Annotated 1953 as follows:
8	AMENDS:
9	49-3-206, as last amended by Chapter 31, Laws of Utah 1997
10	Be it enacted by the Legislature of the state of Utah:
11	Section 1. Section 49-3-206 is amended to read:
12	49-3-206. Exclusions from membership in system.
13	The following employees are excluded from membership in the retirement system:
14	(1) Every employee whose employment status is temporary in nature due to the nature or
15	the type of work to be performed. If the term of employment exceeds six months, then for that
16	employee a regular full-time status shall be assumed, and the employee shall be enrolled in the
17	system effective the beginning of the seventh month of employment. If the same employee,
18	previously terminated prior to enrollment as a member, is again employed within three months of
19	termination by the same employer, the employee shall be immediately enrolled as a member if the
20	work constitutes full-time as defined in this chapter.
21	(2) Full-time students or the spouse of a full-time student and persons employed in a
22	trainee relationship may be excluded from coverage by rules adopted by the board.
23	(3) Every current or future employee of a two-year or four-year college or university who
24	holds, or is entitled to hold, pursuant to Section 49-2-206, a retirement annuity contract with the
25	Teachers' Insurance and Annuity Association of America or with any other public or private
26	system, organization, or company during any period in which that employee has received
27	contributions toward the premiums required on compensation from the employing unit. The

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employee, upon cessation of the employer contributions, shall immediately become a contributing
member.

- (4) Every employee serving as an exchange employee from outside the state.
- (5) Elected officials who file a formal request for exemption.

- (6) Executive department heads of the state, <u>senior executives employed by the governor's office</u>, members of the State Tax Commission, the Public Service Commission, and other members of full-time or part-time boards or commissions who file a formal request to be excluded from coverage.
  - (7) (a) Employees of the Department of Employment Security who are covered under another retirement system allowed under Title [35] 35A, Chapter 4, Employment Security Act; or
  - (b) employees of the Department of Workforce Services who were covered under Subsection (7)(a) and who are covered under another retirement system allowed under Title 35A, Chapter 4, Employment Security Act.
  - (8) Persons appointed as city managers or chief city administrators or other persons employed by a city, town, county, or other political subdivision, who are not entitled to merit or civil service protection. Persons eligible for exclusion under this subsection shall file a formal request for exclusion from coverage and be employed in a position designated as exempt under an employee exemption plan developed by the city, town, county, or political subdivision. Employee exemption plans shall be subject to the following limitations:
  - (a) The total number of positions a city, town, county, or political subdivision may exempt may not exceed the lesser of 30 positions or a number equal to 10% of the employees of the city, town, county, or political subdivision. However, every city, town, county, or political subdivision
- 23 is entitled to a minimum exemption of one eligible employee.
  - (b) Employee exemption plans shall be filed annually with the retirement office, and the city, town, county, or political subdivision shall update the exemption plan in the event of any change.
    - (c) The retirement office may promulgate rules to implement this section.

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## Legislative Review Note as of 1-28-98 3:51 PM

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

Office of Legislative Research and General Counsel