

RETIREMENT - USE OF SICK LEAVE

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: David L. Buhler

AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES; MODIFYING THE UNUSED SICK LEAVE AND EARLY RETIREMENT PROGRAMS; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

67-19-14, as last amended by Chapter 164, Laws of Utah 1993

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

Section 1. Section **67-19-14** is amended to read:

67-19-14. Sick leave -- Unused sick days -- Early retirement program.

(1) The director shall, as an incentive to reduce sick leave abuse, make rules governing procedures whereby, after an employee has accumulated 18 unused sick leave days, any sick days accumulated during any calendar year in excess of eight, at the option of that employee, may be carried as "converted sick leave" which the employee may use at a later date as annual leave, regular sick leave, or as paid-up health and medical insurance at the time of retirement on the basis of the payment by the employing department of one month's premium for each day of accumulated sick leave.

(2) (a) (i) The director shall make rules for the governance of an early retirement program.

(ii) Employing departments may offer an early retirement option to an employee.

(iii) Employee participation in any part of the early retirement program shall be entirely voluntary.

(iv) An employee must be eligible for retirement benefits to qualify for the program.

(b) (i) (A) The program shall provide for an employee to be paid for 25% of unused accumulated sick leave at the employee's preretirement rate of pay.

(B) An employee shall have the option of having all monies from the cashout under Subsection (b)(i)(A) transferred directly to the deferred compensation plan qualified under Section

401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board.

(ii) The employing department shall also provide health and life insurance benefits until the employee becomes eligible for Medicare, but not to exceed five years' coverage from the date of retirement, except as provided under Subsection (2)(c).

(c) (i) An employee under the age of 60, whose unused sick leave, after the 25% cashout has been paid, exceeds the 60 days maximum for five-year coverage under Subsection (b), may continue health and life insurance at the rate of one month's coverage for each day of unused sick leave above the 60 days, but ~~[not to exceed coverage beyond]~~ only to the age eligible for Medicare. If the employee has reached the age eligible for Medicare, coverage for the employee's spouse may continue under this Subsection (c)(i) until the employee's spouse reaches the age eligible for Medicare.

(ii) An employee and the employee's spouse who are eligible for Medicare may purchase Medicare supplemental insurance at the rate of one month's coverage for each day of the employee's unused sick leave.

(d) Any costs or savings for this act shall be borne by the agency and shall not be appropriated by the Legislature.

(3) (a) The director shall make rules to provide a continuation of health and dental insurance to the surviving spouse and family of any state employee whose death occurs in the line of duty. The insurance coverage shall continue for a period of five years or until the surviving spouse becomes eligible for Medicare, whichever comes first.

(b) The rules shall also provide for a cashout of 25% of accumulated sick leave in the same manner as provided under Subsection (2)(b).

(c) The costs of paying for the benefits under Subsections (3)(a) and (b) shall be included in the agency's budget request each year following the date of death of the employee.

Section 2. Effective date.

This act takes effect on July 1, 1998.