

RETIREMENT ELIGIBILITY FORMULA

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael G. Waddoups

AN ACT RELATING TO RETIREMENT; ALLOWING THE COMBINATION OF SERVICE CREDITS FROM DIFFERENT RETIREMENT SYSTEMS TO DETERMINE RETIREMENT ELIGIBILITY; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

49-1-406, as last amended by Chapter 31, Laws of Utah 1997

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

Section 1. Section **49-1-406** is amended to read:

49-1-406. Retirement credits from different systems or plans -- Eligibility and calculation of benefits.

(1) (a) Any member who has years of service credit from two or more systems or plans administered by the board which is not concurrent service may combine these credits for purposes of determining eligibility for retirement.

(b) The member may elect to use the calculation under Subsection (2) or (3) if the member is eligible under both subsections.

(2) (a) To be eligible for the calculation under Subsection [~~(3)~~] (2)(b), the member's years of service credits earned under the two or more different retirement systems shall at least equal the minimum number of years required to retire under the system from which the member is seeking to retire.

~~[(3)]~~ (b) If the member meets the requirements of Subsection (2)(a), the board shall calculate the member's retirement allowance using all credits earned from any retirement system, with no actuarial reduction applied to the allowance, except the years of service credit used to calculate the benefit shall be increased or decreased to reflect the value of the assets transferred

1 to effectuate the calculation of the allowance.

2 (3) (a) To be eligible for the calculation under Subsection (3)(b), the member's years of
3 service credits earned under the two or more different retirement systems shall be given the
4 following values:

5 (i) two points for each year of service credit under Title 49, Chapter 3, Public Employees'
6 Noncontributory Retirement Act;

7 (ii) three points for each year of service credit under Title 49, Chapter 4a, Public Safety
8 Noncontributory Retirement Act;

9 (iii) three points for each year of service credit under Title 49, Chapter 5, Firefighters'
10 Retirement Act; or

11 (iv) 2.4 points for each year of service credit under Title 49, Chapter 6a, Judges'
12 Noncontributory Retirement Act.

13 (b) If the member has earned 60 or more of the points described under Subsection (3)(a),
14 the member may retire under each of the systems from which the member has service credit. The
15 board shall calculate the member's retirement allowances separately using all credits earned for
16 each retirement system, with no actuarial reduction applied to any allowance.

17 (4) The retirement board shall adopt rules to establish the standards used for calculating
18 any increase or decrease in the years of service credit.

19 Section 2. **Effective date.**

20 This act takes effect on July 1, 1998.

Legislative Review Note
as of 2-6-98 10:20 AM

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

Office of Legislative Research and General Counsel