

Representative James R. Gowans proposes to substitute the following bill:

ANNUAL LEAVE ACCRUAL FOR STATE EMPLOYEES

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: James R. Gowans

AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES; ALLOWING STATE EMPLOYEES TO CONVERT EXCESS ACCUMULATED ANNUAL LEAVE INTO DEFERRED COMPENSATION PLAN CONTRIBUTIONS.

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

ENACTS:

67-19-12.7, Utah Code Annotated 1953

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

Section 1. Section **67-19-12.7** is enacted to read:

67-19-12.7. Accumulated annual leave -- Conversion to deferred compensation plan.

(1) The department shall implement a program whereby an eligible employee may, in each calendar year, elect to convert up to 40 hours of unused annual leave into any of the employee's designated deferred compensation accounts that:

(a) are sponsored by the Utah State Retirement Board; and

(b) are qualified under Section 401(k) or Section 457 of the Internal Revenue Code.

(2) Any annual leave converted under Subsection (1) shall be converted into the employee's deferred compensation account at the employee's pay rate at the time of conversion.

(3) No employee may convert hours of accrued annual leave to the extent that any hours so converted would exceed the maximum amount authorized by the Internal Revenue Code for each calendar year.

(4) (a) For purposes of this section, "eligible employee" means an employee with unused annual leave hours exceeding 144 hours as of December 1st in each calendar year an election is

26 made under this section.

27 (b) An eligible employee:

28 (i) shall make each election by December 31st of each calendar year by using a form

29 approved by the department; and

30 (ii) may only convert unused annual leave hours in excess of 144 hours of annual leave

31 in the eligible employee's annual leave balance.