

1                                   **RETIREMENT - USE OF SICK LEAVE**

2   **AMENDMENTS**

3   1999 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Michael G. Waddoups**

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

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

10 AMENDS:

11                   **67-19-14**, as last amended by Chapter 338, Laws of Utah 1998

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

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

14                   **67-19-14. Sick leave -- Unused sick days -- Retirement program.**

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

22                   (2) (a) (i) The director shall make rules for the governance of [~~an early~~] a retirement  
23 program.

24                   (ii) Employing departments may offer [~~an early~~] the retirement option to an employee.

25                   (iii) Employee participation in any part of the [~~early~~] retirement program shall be entirely  
26 voluntary.

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

28 (b) (i) (A) ~~[The]~~ When an employee retires, the program shall provide for ~~[an]~~ the  
29 employee to be paid for 25% of the employee's unused accumulated sick leave at the employee's  
30 preretirement rate of pay.

31 (B) An employee shall have the option of having all monies from the cashout under  
32 Subsection (b)(i)(A) transferred directly to the deferred compensation plan qualified under Section  
33 401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board.

34 (ii) The employing department shall also provide the same health and life insurance  
35 benefits the employee has at the time of retirement until the employee becomes eligible for  
36 Medicare, but this benefit may not ~~[to]~~ exceed five years' coverage from the date of retirement,  
37 except as provided under Subsection (2)(c).

38 (c) (i) An employee ~~[under the age of 60,]~~ whose unused sick leave, after the 25% cashout  
39 has been paid, exceeds the 60 days maximum for five-year coverage under Subsection (2)(b), may  
40 continue the health and life insurance, which the employee had at the time of retirement, at the rate  
41 of one month's coverage for each day of unused sick leave above the 60 days, but only to the age  
42 eligible for Medicare. If the employee has reached the age eligible for Medicare, coverage for the  
43 employee's spouse may continue under this Subsection (2)(c)(i) until the employee's spouse  
44 reaches the age eligible for Medicare.

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

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

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

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

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

58 Section 2. **Effective date.**

59

This act takes effect on July 1, 1999.

---

---

**Legislative Review Note  
as of 12-31-98 7:52 AM**

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

**Office of Legislative Research and General Counsel**