



# House of Representatives *State of Utah*

318 STATE CAPITOL • SALT LAKE CITY, UTAH 84114 • (801) 538-1029 • FAX: (801) 538-1908

January 24, 2001

Mr. Speaker:

The Quasi-Governmental Entities Committee reports a favorable recommendation on **H.B. 36**, RETIREMENT OFFICE AMENDMENTS, by Representative R. Bigelow, with the following amendments:

1. Page 1, Line 5: After "**definitions**," insert "**service credit purchases**,"
2. Page 1, Line 7: After "**hearing process**," insert "**membership exclusions**,"
3. Page 1, Line 10: After line 10 insert:  
"**49-1-407**, as enacted by Chapter 202, Laws of Utah 1996"
4. Page 1, Line 18: After line 18 insert:  
"**49-3-206**, as last amended by Chapters 202 and 262, Laws of Utah 1998"
5. Page 1, Line 24: After line 24 insert:  
"Section 1. Section **49-1-407** is amended to read:  
**49-1-407. Member with public service not otherwise qualifying for benefit may purchase credit.**  
(1) A member may purchase service credit equal to the member's service in the following:  
(a) federal employment;  
(b) private school employment;  
(c) public employment in this or another state that does not qualify for

*Bill Number*

*Action Class*

*Action Code*

HB0036

H

HCRAMD

service credit under a system administered by the board;

(d) employment in a university or a public school system if the member is on a leave of absence for reasons relating to employment; [or]

(e) forfeited public service in this state if the member does not qualify for a retirement benefit for that service[-]; or

(f) the period of time for which disability benefits were paid if:

(i) the member was receiving:

(A) long-term disability benefits;

(B) short-term disability benefits; or

(C) worker's compensation disability benefits; and

(ii) the member's employer had not entered into a benefit protection contract pursuant to Section 49-1-404 during the period the member was disabled due to sickness or accident.

(2) To purchase credit, the member shall pay an amount fixed by the administrator that is established on an actuarial equivalent basis.

(3) The purchase may be made through payroll deductions or through a lump-sum deposit.

(4) The employer may make the purchase on behalf of the member.

(5) Total payment must be completed prior to retirement or service will be prorated in accordance with the amount paid."

6. Page 4, Line 113: After "member's salary" insert "that would have been contributed if the member were a member of the retirement system" and after "to a" insert ":(i)"

7. Page 4, Line 114: After "by the board" insert "if the employer participates in the defined contribution plan administered by the board; or

(ii) defined contribution plan offered by the employer if the employer does not participate in the defined contribution plan administered by the board"  
and bracket "that would have been contributed if the member were"

8. Page 4, Line 115: Bracket "a member of the retirement system"

9. Page 14, Line 416: After line 416 insert:

"Section 9. Section **49-3-206** is amended to read:

**49-3-206. Exclusions from membership in system.**

The following employees are excluded from membership in the retirement system:

(1) Every employee whose employment status is temporary in nature due to the nature or the type of work to be performed. If the term of employment exceeds six months, then for that employee a regular full-time status shall be assumed, and the employee shall be enrolled in the system effective the beginning of the seventh month of employment. If the same employee, previously terminated prior to enrollment as a member, is again employed within three months of termination by the same employer, the employee shall be immediately enrolled as a member if the work constitutes full-time as defined in this chapter.

(2) Full-time students or the spouse of a full-time student and persons employed in a trainee relationship may be excluded from coverage by rules adopted by the board.

(3) Every current or future employee of a two-year or four-year college or university who holds, or is entitled to hold, pursuant to Section 49-2-206, a retirement annuity contract with the Teachers' Insurance and Annuity Association of America or with any other public or private

system, organization, or company during any period in which that employee has received contributions toward the premiums required on compensation from the employing unit. The 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 or legislative directors, senior executives employed by the governor's office, members of the State Tax Commission, the Public Service Commission, the State Olympic Officer, 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 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 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."

10. Page 16, Line 486: Delete "from performing firefighter duties"

**Renumber remaining sections accordingly.**

Respectfully,

Ron Bigelow  
Committee Chair

Voting: 7-0-2

3 HB0036.HC1.WPD 1/24/01 2:21 pm bbryner/SES DSL/BNC

*Bill Number*

*Action Class*

*Action Code*

HB0036

H

HCRAMD