

RETIREMENT OFFICE AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Ron Bigelow

This act modifies the Utah State Retirement Act by requiring an employee to have five years of service credit and meet federal eligibility requirements to be eligible to purchase retirement service credit.

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

AMENDS:

49-3-410, as last amended by Chapter 141, Laws of Utah 2001

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

Section 1. Section **49-3-410** is amended to read:

49-3-410. Purchase of retirement credit -- Conditions -- Cost.

(1) Any member of this system may receive retirement service credit in accordance with Subsection (2).

(2) (a) A member may purchase or a member and an employing unit may jointly purchase a combined maximum total of five years of retirement service credit which is not otherwise purchasable under this chapter.

(b) The number of years of retirement service credit purchased may exceed the number of years or age required by the member to retire with no actuarial reduction.

(c) The purchase of retirement service credit must allow the member to meet the retirement eligibility requirements of this system with no actuarial reduction.

(d) The member must retire effective immediately after the purchase of retirement service credit is made.

(e) The member shall pay at least 5% of the cost of the purchase.

(f) The member shall have five years of service credit and otherwise meet federal eligibility requirements to qualify for a purchase of service credit under this section.



28 (3) The purchase price for the retirement service credit shall be calculated and paid for as
29 provided in Section 49-1-407.

30 (4) (a) The employing unit may elect to purchase retirement service credit for a member
31 under Subsection (2) while the member is on an unpaid leave of absence.

32 (b) If the member is on an unpaid leave of absence, the employing unit may make
33 installment payments towards the purchase in amounts fixed by the administrator.

34 (c) The member shall retire when the purchase obligations are fulfilled.

35 (5) A member who retires after the employer purchases retirement service credit under this
36 section shall be subject to the provisions of Section 49-1-505.

37 (6) Prior to making any purchase of service credit under this section, an employing unit
38 shall adopt a purchase policy that includes nondiscriminatory participation standards for all
39 employees.

Legislative Review Note
as of 2-1-02 2:17 PM

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

Office of Legislative Research and General Counsel