

RETIREMENT SYSTEMS MEMBERSHIP

EXCLUSIONS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Brad L. Dee

This act modifies the Utah State Retirement and Insurance Benefit Act by increasing the cap on the number of positions that a municipality, county, or political subdivision may exclude from membership in the Public Employees' Contributory Retirement System and the Public Employees' Noncontributory Retirement System. This act takes effect on July 1, 2003.

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

AMENDS:

49-12-203, as renumbered and amended by Chapter 250, Laws of Utah 2002

49-13-203, as renumbered and amended by Chapter 250, Laws of Utah 2002

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

Section 1. Section **49-12-203** is amended to read:

49-12-203. Exclusions from membership in system.

(1) The following employees are not eligible for service credit in this system:

(a) An employee whose employment status is temporary in nature due to the nature or the type of work to be performed, provided that:

(i) if the term of employment exceeds six months and the employee otherwise qualifies for service credit in this system, the participating employer shall report and certify to the office that the employee is a regular full-time employee effective the beginning of the seventh month of employment; or

(ii) if an employee, previously terminated prior to being eligible for service credit in this system is reemployed within three months of termination by the same participating employer, the participating employer shall report and certify that the member is a regular full-time employee when the total of the periods of employment equals six months and the employee otherwise qualifies for service credit in this system.

(b) A full-time student, the spouse of a full-time student, or a person employed in a trainee relationship who files a formal request for exemption.

(c) (i) A current or future employee of a two-year or four-year college or university who holds, or is entitled to hold, under Section 49-12-204, 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 required contributions based on compensation have been paid on behalf of the employee by the employer.

(ii) The employee, upon cessation of the participating employer contributions, shall immediately become eligible for service credit in this system.

(d) An employee serving as an exchange employee from outside the state.

(e) An elected official who files a formal request for exemption.

(f) An executive department head of the state, a member of the State Tax Commission, the Public Service Commission, and a member of a full-time or part-time board or commission who files a formal request for exemption.

(g) An employee of the Department of Workforce Services who is covered under another retirement system allowed under Title 35A, Chapter 4, Employment Security Act.

(h) (i) A person appointed as a city manager or chief city administrator or another person employed by a municipality, county, or other political subdivision who is not entitled to merit or civil service protection.

(ii) A person eligible for exclusion under Subsection (1)(h)(i) shall file a formal request for exemption and be employed in a position designated as exempt under an employee exemption plan developed by the municipality, county, or political subdivision.

(2) (a) A municipality, county, or political subdivision may not exempt more than [30] 50 positions or a number equal to 10% of the employees of the municipality, county, or political subdivision whichever is lesser.

(b) A municipality, county, or political subdivision may exempt at least one regular full-time employee.

(3) Each participating employer shall:

- (a) file employee exemptions annually with the office; and
- (b) update the employee exemptions in the event of any change.
- (4) The office may make rules to implement this section.

Section 2. Section **49-13-203** is amended to read:

49-13-203. Exclusions from membership in system.

(1) The following employees are not eligible for service credit in this system:

(a) An employee whose employment status is temporary in nature due to the nature or the type of work to be performed, provided that:

(i) if the term of employment exceeds six months and the employee otherwise qualifies for service credit in this system, the participating employer shall report and certify to the office that the employee is a regular full-time employee effective the beginning of the seventh month of employment; and

(ii) if an employee, previously terminated prior to becoming eligible for service credit in this system, is reemployed within three months of termination by the same participating employer, the participating employer shall report and certify to the office that the member is a regular full-time employee when the total of the periods of employment equals six months and the employee otherwise qualifies for service credit in this system.

(b) A full-time student or the spouse of a full-time student and another person employed in a trainee relationship who file a formal request for exemption.

(c) (i) A current or future employee of a two-year or four-year college or university who holds, or is entitled to hold, under Section 49-13-204, 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 required contributions based on compensation have been paid on behalf of the employee by the employer.

(ii) The employee, upon cessation of the participating employer contributions, shall immediately become eligible for service credit in this system.

(d) An employee serving as an exchange employee from outside the state.

(e) An elected official who files a formal request for exemption.

(f) An executive department head of the state or a legislative director, senior executive employed by the governor's office, a member of the State Tax Commission, a member of the Public Service Commission, the State Olympic Officer, and a member of a full-time or part-time board or commission who files a formal request for exemption.

(g) An employee of the Department of Workforce Services who is covered under another retirement system allowed under Title 35A, Chapter 4, Employment Security Act.

(h) (i) A person appointed as a city manager or chief city administrator or another person employed by a municipality, county, or other political subdivision, who is not entitled to merit or civil service protection.

(ii) A person eligible for exclusion under Subsection (1)(h)(i) shall file a formal request for exemption and be employed in a position designated as exempt under an employee exemption plan developed by the municipality, county, or political subdivision.

(2) (a) A municipality, county, or political subdivision may not exempt more than [30] 50 positions or a number equal to 10% of the employees of the municipality, county, or political subdivision, whichever is lesser.

(b) A municipality, county, or political subdivision may exempt at least one regular full-time employee.

(3) Each participating employer shall:

(a) file employee exemptions annually with the office; and

(b) update the employee exemptions in the event of any change.

(4) The office may make rules to implement this section.

Section 3. Effective date.

This act takes effect on July 1, 2003.