

PUBLIC SAFETY RETIREMENT AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Mike Dmitrich

This act modifies the Utah State Retirement and Insurance Benefit Act by increasing the cost-of-living allowance for members of the Public Safety Retirement Systems. This act takes effect on July 1, 2003.

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

AMENDS:

49-14-403, as renumbered and amended by Chapter 250, Laws of Utah 2002

49-15-403, 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 **49-14-403** is amended to read:

49-14-403. Annual cost-of-living adjustment.

(1) The office shall make an annual cost-of-living adjustment to:

(a) an original allowance paid under Section 49-14-402 and Part 5, Death Benefit, of this chapter if the allowance has been paid for at least one year; and

(b) an original payment made to an alternate payee under a domestic relations order, if the payment is to be paid as a percentage of the allowance rather than a specific dollar amount.

(2) (a) The original allowance shall be increased by the annual increase in the Consumer Price Index up to a maximum of [~~2.5%~~] 4.0%.

(b) Annual increases in the Consumer Price Index in excess of [~~2.5%~~] 4.0% shall be accumulated and used in subsequent adjustments when the annual increase in the Consumer Price Index is less than [~~2.5%~~] 4.0%.

(3) The Consumer Price Index used in calculating adjustments shall be a United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.

(4) The cost-of-living adjustment made under this section may not decrease the



allowance.

Section 2. Section **49-15-403** is amended to read:

49-15-403. Annual cost-of-living adjustment.

(1) The office shall make an annual cost-of-living adjustment to:

(a) an original allowance paid under Section 49-15-402 and Part 5, Death Benefit, of this chapter if the allowance has been paid for at least one year; and

(b) an original payment made to an alternate payee under a domestic relations order if the payment is to be paid as a percentage of the allowance rather than a specific dollar amount.

(2) (a) The original allowance shall be increased by the annual increase in the Consumer Price Index up to a maximum of [~~2.5%~~] 4.0%.

(b) Annual increases in the Consumer Price Index in excess of [~~2.5%~~] 4.0% shall be accumulated and used in subsequent adjustments when the annual increase in the Consumer Price Index is less than [~~2.5%~~] 4.0%.

(3) The Consumer Price Index used in calculating adjustments shall be a United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.

(4) The cost-of-living adjustment made under this section may not decrease the allowance.

Section 3. **Effective date.**

This act takes effect on July 1, 2003.

Legislative Review Note
as of 12-6-02 10:26 AM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0081

Public Safety Retirement Amendments*20-Jan-03**2:46 PM*

State Impact

This bill will require an increase in the State and local government public safety retirement rates. The State rate will increase 2.13 percent, requiring an appropriation of \$2,064,700 from various funding sources.

The rate increase would vary between local governmental entities ranging from 1.67 percent to 2.83 percent, depending on the organization involved. The rate for Salt Lake City would increase 2.74 percent, while Provo's increase would be 2.11 percent.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$1,873,700	\$1,873,700	\$0	\$0
Transportation Fund	\$800	\$800	\$0	\$0
Federal Funds	\$27,500	\$27,500	\$0	\$0
Dedicated Credits Revenue	\$58,800	\$58,800	\$0	\$0
Transfers	\$1,700	\$1,700	\$0	\$0
Restricted Funds	\$102,200	\$102,200	\$0	\$0
TOTAL	\$2,064,700	\$2,064,700	\$0	\$0

Individual and Business Impact

This bill could increase the annual increase to the retirement benefit from 2.5 percent to 4 percent per year, depending on the Consumer Price Index.

Office of the Legislative Fiscal Analyst