

UNUSED SICK LEAVE FOR STATE

EMPLOYEE PROVISIONS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: David Clark

LONG TITLE

General Description:

This bill modifies the Utah State Personnel Management Act by clarifying provisions for the use of unused sick leave for converted sick leave and for medical and life insurance benefits upon retirement of the employee.

Highlighted Provisions:

This bill:

- ▶ clarifies that a retired employee may receive the same medical and life insurance benefits as an active member of the retirement system and may receive the same coverage (member, two person, or family) as the member had at the time of retirement; and
- ▶ clarifies other limitations of the programs.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

67-19-14.1, Utah Code Annotated 1953

67-19-14.2, Utah Code Annotated 1953

67-19-14.3, Utah Code Annotated 1953

REPEALS AND REENACTS:

67-19-14, as last amended by Chapter 64, Laws of Utah 1999

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

Section 1. Section **67-19-14** is repealed and reenacted to read:

67-19-14. Sick leave -- Definitions -- Unused sick days retirement programs --

Rulemaking.

(1) As used in Sections 67-19-14 through 67-19-14.3:

(a) "Continuing medical and life insurance benefits" means the state provided policy of medical insurance and the state provided portion of a policy of life insurance, each offered at the same:

(i) benefit level and the same proportion of state/member participation in the total premium costs as an active member as defined in Section 49-11-102; and

(ii) coverage level for a member, two person, or family policy as provided to the member at the time of retirement.

(b) "Converted sick leave" means leave that has been converted from unused sick leave in accordance with this section and which may be used by an employee in the same manner as:

(i) annual leave;

(ii) sick leave; or

(iii) unused accumulated sick leave after the employee's retirement for the purchase of continuing medical and life insurance benefits under Sections 67-19-14.2 and 67-19-14.3.

(2) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the director shall make rules for the procedures to implement the provisions of Sections 67-19-14 through 67-19-14.3.

Section 2. Section **67-19-14.1** is enacted to read:

67-19-14.1. Converted sick leave.

(1) An employee who has 144 hours of accumulated unused sick leave immediately prior to the beginning of a calendar year, may elect to convert any unused sick leave hours accumulated during that calendar year, in excess of 64 hours, to converted sick leave.

(2) The conversion is made at the beginning of the next calendar year.

(3) Converted sick leave hours are not subject to the reduction provided under Subsection 67-19-14.2(4)(a)(ii).

Section 3. Section **67-19-14.2** is enacted to read:

67-19-14.2. Unused Sick Leave Retirement Option Program -- Creation -- Payout at retirement -- Continuing medical and life insurance benefits after retirement.

(1) (a) There is created the "Unused Sick Leave Retirement Option Program."

(b) An agency may offer the Unused Sick Leave Retirement Option Program to an employee who is eligible to receive retirement benefits in accordance with Title 49, Utah State Retirement and Insurance Benefit Act.

(c) An employee's participation in any part of the Unused Sick Leave Retirement Option Program is voluntary.

(2) The Unused Sick Leave Retirement Option Program provides that upon retirement an employee:

(a) is paid for up to 25% of the employee's unused accumulated sick leave at the employee's rate of pay at the time of retirement;

(b) receives continuing medical and life insurance benefits until the employee reaches the age eligible for Medicare or for up to five years, which ever occurs sooner; and

(c) may purchase additional continuing medical and life insurance benefits in accordance with Subsection (4).

(3) An employee may have monies from the pay out under Subsection (2)(a) transferred directly to the deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board.

(4) (a) An employee may purchase continuing medical and life insurance benefits, at the rate of one month's coverage per policy for eight hours of unused sick leave remaining after:

(i) the pay out of unused sick leave under Subsection (2)(a); and

(ii) an additional reduction of 480 hours of unused sick leave.

(b) The medical coverage level for member, two person, or family coverage that is provided to the member at the time of retirement is the maximum coverage level available to the

member under this program.

(c) The purchase of continuing medical and life insurance benefits at the rate provided under Subsection (4)(a) may be used by the employee to extend coverage:

(i) beyond the five years provided under Subsection (2) until the employee reaches the age of eligibility for Medicare; or

(ii) if the employee has reached the age of eligibility for Medicare, continuing medical benefits for the employee's spouse may be purchased until the employee's spouse reaches the age of eligibility for Medicare.

(d) An employee and the employee's spouse who are or who later become eligible for Medicare may purchase Medicare supplemental insurance at the rate of one month's coverage for eight hours of the employee's unused sick leave per person.

Section 4. Section **67-19-14.3** is enacted to read:

67-19-14.3. Continuation of Medical and Dental Insurance Benefits Program -- Creation -- Coverage following death in the line of duty.

(1) There is created the "Continuation of Medical and Dental Insurance Benefits Program" to provide a continuation of medical and dental insurance to the surviving spouse and family of any state employee whose death occurs in the line of duty.

(2) The insurance coverage shall continue for a period of five years or until the surviving spouse becomes eligible for Medicare, whichever occurs first.

(3) The program provides that unused accumulated sick leave of a deceased employee may be used for additional medical coverage in the same manner as provided under Section 67-19-14.2.