

**PARTIAL LUMP-SUM RETIREMENT PAYMENT**

**OPTION**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David Clark**

Senate Sponsor: Beverly Ann Evans

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by allowing certain lump-sum payments of a portion of a member's retirement benefits.

**Highlighted Provisions:**

This bill:

- ▶ allows a member of a Utah State Retirement System to elect to receive either 12 or 24 months of the member's retirement allowance in a lump-sum payment upon retirement;
- ▶ provides for an actuarial reduction of the members allowance to reflect the lump-sum payment;
- ▶ prohibits more than one lump-sum payment per member; and
- ▶ allows the Retirement Board to make rules to implement the provisions of the bill.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**49-11-1001**, Utah Code Annotated 1953

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

30 Section 1. Section **49-11-1001** is enacted to read:

31 **Part 10. Partial Lump-Sum Payments**

32 **49-11-1001. Partial lump-sum payment option.**

33 (1) At the time of application for retirement, a member may elect to receive a  
34 lump-sum payment of a portion of the member's retirement allowance equal to 12 or 24 months  
35 of the member's allowance to be paid upon retirement.

36 (2) The member's allowance shall be reduced to reflect the actuarial value of the  
37 lump-sum received under Subsection (1).

38 (3) A member who has received a lump-sum payment under this section is not eligible  
39 for another lump-sum payment under this section.

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