

1 **STATE EMPLOYEE RETIREMENT BENEFITS**

2 **AMENDMENTS**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: John Dougall**

6 Senate Sponsor: Sheldon L. Killpack

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Utah State Retirement and Insurance Benefit Act by adding
11 certain positions that may be excluded from membership in the Public Employees'
12 Contributory Retirement System and the Public Employees' Noncontributory
13 Retirement System.

14 **Highlighted Provisions:**

15 This bill:

16 ▶ allows the following at-will employees to be excluded, upon written request, from
17 coverage under the Public Employees' Contributory Retirement System and the
18 Public Employees' Noncontributory Retirement System:

19 • a person appointed by the speaker of the House of Representatives, the House of
20 Representatives minority leader, the president of the Senate, or the Senate
21 minority leader; or

22 • an employee of the Governor's Office of Economic Development who has been
23 hired directly from a position not covered by a system; and

24 ▶ makes technical changes.

25 **Monies Appropriated in this Bill:**

26 None

27 **Other Special Clauses:**

28 This bill provides an immediate effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **49-12-203**, as last amended by Chapter 116, Laws of Utah 2005

32 **49-13-203**, as last amended by Chapter 116, Laws of Utah 2005

33

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

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

36 **49-12-203. Exclusions from membership in system.**

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

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

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

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

49 (b) (i) A current or future employee of a two-year or four-year college or university
50 who holds, or is entitled to hold, under Section 49-12-204, a retirement annuity contract with
51 the Teachers' Insurance and Annuity Association of America or with any other public or private
52 system, organization, or company during any period in which required contributions based on
53 compensation have been paid on behalf of the employee by the employer.

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

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

57 (d) An executive department head of the state, a member of the State Tax Commission,

58 the Public Service Commission, and a member of a full-time or part-time board or commission
59 who files a formal request for exemption.

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

62 (2) Upon filing a written request for exemption with the office, the following
63 employees shall be exempt from coverage under this system:

64 (a) a full-time student or the spouse of a full-time student and individuals employed in
65 a trainee relationship;

66 (b) an elected official;

67 (c) an executive department head of the state or a legislative director, senior executive
68 employed by the governor's office, a member of the State Tax Commission, a member of the
69 Public Service Commission, and a member of a full-time or part-time board or commission;

70 [~~and~~]

71 (d) an at-will employee who:

72 (i) is a person appointed by the speaker of the House of Representatives, the House of
73 Representatives minority leader, the president of the Senate, or the Senate minority leader; or

74 (ii) is an employee of the Governor's Office of Economic Development who has been
75 hired directly from a position not covered by a system; and

76 [~~(d)~~] (e) a person appointed as a city manager or chief city administrator or another
77 person employed by a municipality, county, or other political subdivision, who is not entitled to
78 merit or civil service protection.

79 (3) (a) Each participating employer shall prepare a list designating those positions
80 eligible for exemption under Subsection (2).

81 (b) An employee may not be exempted unless they are employed in a position
82 designated by the participating employer.

83 (4) (a) In accordance with this section, a municipality, county, or political subdivision
84 may not exempt more than 50 positions or a number equal to 10% of the employees of the
85 municipality, county, or political subdivision whichever is lesser.

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

88 (5) Each participating employer shall:

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

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

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

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

93 **49-13-203. Exclusions from membership in system.**

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

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

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

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

106 (b) (i) A current or future employee of a two-year or four-year college or university
107 who holds, or is entitled to hold, under Section 49-13-204, a retirement annuity contract with
108 the Teachers' Insurance and Annuity Association of America or with any other public or private
109 system, organization, or company during any period in which required contributions based on
110 compensation have been paid on behalf of the employee by the employer.

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

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

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

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

120 (2) Upon filing a written request for exemption with the office, the following
121 employees shall be exempt from coverage under this system:

122 (a) a full-time student or the spouse of a full-time student and individuals employed in
123 a trainee relationship;

124 (b) an elected official;

125 (c) an executive department head of the state or a legislative director, senior executive
126 employed by the governor's office, a member of the State Tax Commission, a member of the
127 Public Service Commission, and a member of a full-time or part-time board or commission;
128 [~~and~~]

129 (d) an at-will employee who:

130 (i) is a person appointed by the speaker of the House of Representatives, the House of
131 Representatives minority leader, the president of the Senate, or the Senate minority leader; or

132 (ii) is an employee of the Governor's Office of Economic Development who has been
133 hired directly from a position not covered by a system; and

134 [~~(d)~~] (e) a person appointed as a city manager or chief city administrator or another
135 person employed by a municipality, county, or other political subdivision, who is not entitled to
136 merit or civil service protection.

137 (3) (a) Each participating employer shall prepare a list designating those positions
138 eligible for exemption under Subsection (2).

139 (b) An employee may not be exempted unless they are employed in a position
140 designated by the participating employer.

141 (4) (a) In accordance with this section, a municipality, county, or political subdivision

142 may not exempt more than 50 positions or a number equal to 10% of the employees of the
143 municipality, county, or political subdivision, whichever is lesser.

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

146 (5) Each participating employer shall:

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

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

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

150 Section 3. **Effective date.**

151 If approved by two-thirds of all the members elected to each house, this bill takes effect
152 upon approval by the governor, or the day following the constitutional time limit of Utah
153 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
154 the date of veto override.