

PUBLIC EMPLOYER BENEFIT PLANS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: LaVar Christensen

Senate Sponsor: David L. Thomas

LONG TITLE

General Description:

This bill regulates the benefit plans that may be offered by a public employer.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ allows a public employer to offer employee benefit plans that cover its employees, eligible retirees, and their dependents;
- ▶ allows a public employer to offer optional supplemental benefit plans to cover additional persons if the supplemental benefit:
 - is specifically approved by the public employer's legislative body or governing board;
 - has its costs entirely paid by employee or eligible retiree contributions;
 - does not have any of its costs paid by public employer contributions; and
 - does not receive funding from a public fund of the state or its political subdivisions; and
- ▶ supplemental benefit plans may not be established or offered through an order or action of a public employer's chief executive officer.

Monies Appropriated in this Bill:

None

Other Special Clauses:



28 None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 **11-42-101**, Utah Code Annotated 1953

32 **11-42-102**, Utah Code Annotated 1953

33 **11-42-103**, Utah Code Annotated 1953



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

36 Section 1. Section **11-42-101** is enacted to read:

37 **CHAPTER 42. PUBLIC EMPLOYER BENEFIT PLANS ACT**

38 **11-42-101. Title.**

39 This chapter is known as the "Public Employer Benefit Plans Act."

40 Section 2. Section **11-42-102** is enacted to read:

41 **11-42-102. Definitions.**

42 As used in this chapter:

43 (1) "Dependents" means an employee's or eligible retiree's:

44 (a) current spouse; and

45 (b) children, including stepchildren and legally adopted children.

46 (2) "Employee benefit plans" means any group health, dental, medical, disability, life
47 insurance, Medicare supplement, conversion coverage, cafeteria, flex plans, or other benefit
48 programs offered by a public employer.

49 (3) "Public employer" means the state and its political subdivisions, including counties,
50 municipalities, institutions of higher education, school districts and charter schools, special
51 districts, and public corporations.

52 Section 3. Section **11-42-103** is enacted to read:

53 **11-42-103. Benefit plans -- Eligibility -- Supplemental benefits.**

54 (1) A public employer may offer employee benefit plans to its employees and eligible
55 retirees that cover its:

56 (a) employees;

57 (b) eligible retirees; and

58 (c) the dependents of employees and eligible retirees.

59 (2) A public employer may also offer optional supplemental benefit plans that cover a
60 person not described under Subsection (1) if the benefit:
61 (a) is specifically approved by:
62 (i) a statute enacted by the Legislature;
63 (ii) an ordinance enacted by the legislative body of a county or municipality; or
64 (iii) a resolution approved by the governing board of an institution of higher education,
65 school district, charter school, special district, or other political subdivision of the state;
66 (b) has its costs entirely paid by employee or eligible retiree contributions;
67 (c) does not have any of its costs paid by public employer contributions; and
68 (d) does not receive funding from tax revenues or other public funds of the state or its
69 political subdivisions.
70 (3) Supplemental benefit plans that cover a person not described under Subsection (1)
71 may not be established or offered through an order or action of a public employer's chief
72 executive officer.

Legislative Review Note
as of 1-25-06 8:04 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0327

Public Employer Benefit Plans

21-Feb-06

2:49 PM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst