

Representative John Dougall proposes the following substitute bill:

RETIREMENT BENEFIT AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ allows a person who begins employment on or after July 1, 2007, with the Department of Technology Services to be excluded, upon written request, from coverage under the Public Employees' Noncontributory Retirement System;
- ▶ allows a person who begins employment on or after July 1, 2007, with the Department of Transportation to be excluded, upon written request, from coverage under the Public Employees' Noncontributory Retirement System; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2007.

Utah Code Sections Affected:



26 AMENDS:

27 **49-13-203**, as last amended by Chapter 143, Laws of Utah 2006

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

30 Section 1. Section **49-13-203** is amended to read:

31 **49-13-203. Exclusions from membership in system.**

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

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

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

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

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

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

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

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

56 (e) An employee of the Department of Workforce Services who is covered under

57 another retirement system allowed under Title 35A, Chapter 4, Employment Security Act.

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

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

62 (b) an elected official;

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

66 (d) an at-will employee who:

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

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

71 (e) a person appointed as a city manager or chief city administrator or another person
72 employed by a municipality, county, or other political subdivision, who is not entitled to merit
73 or civil service protection;

74 (f) a person who begins employment on or after July 1, 2007, with the Department of
75 Technology Services created under Section 63F-1-103; and

76 (g) a person who begins employment on or after July 1, 2007, with the Department of
77 Transportation created under Section 72-1-201.

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

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

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

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

87 (5) Each participating employer shall:

- 88 (a) file employee exemptions annually with the office; and
- 89 (b) update the employee exemptions in the event of any change.
- 90 (6) The office may make rules to implement this section.

91 **Section 2. Effective date.**

92 This bill takes effect on July 1, 2007.

H.B. 377 2nd Sub. (Gray) - Retirement Benefit Amendments

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations. If, over time, a substantial portion of new hires at the Department of Transportation and the Department of Technology Services choose to be excluded from the Public Employees' Noncontributory Retirement System, the possibility of a potential actuarial cost to the Utah Retirement Systems exists; this cost is currently indeterminable.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses, or local governments. Investment rewards and risks will rest with new hires at the Department of Transportation and the Department of Technology Services who opt to exclude themselves from the Public Employees' Noncontributory Retirement System as they will be responsible for investment and growth of their retirement accounts.
