

RETIREMENT SYSTEMS MEMBERSHIP

EXCLUSIONS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Dmitrich

House Sponsor: Ron Bigelow

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

▶ allows certain employees of an interlocal cooperative agency to be excluded, upon written request, from coverage in the Public Employees' Contributory Retirement System and the Public Employees' Noncontributory Retirement System.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

49-12-203, as last amended by Chapter 143, Laws of Utah 2006

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



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

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

30 **49-12-203. Exclusions from membership in system.**

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

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

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

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

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

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

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

51 (d) An executive department head of the state, a member of the State Tax Commission,
52 the Public Service Commission, and a member of a full-time or part-time board or commission
53 who files a formal request for exemption.

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

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

58 (a) a full-time student or the spouse of a full-time student and individuals employed in

59 a trainee relationship;

60 (b) an elected official;

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

64 (d) an at-will employee who:

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

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

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

72 (f) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
73 Interlocal Cooperation Act, who is engaged in a specialized trade customarily provided through
74 membership in a labor organization that provides retirement benefits to its members.

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

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

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

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

84 (5) Each participating employer shall:

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

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

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

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

89 **49-13-203. Exclusions from membership in system.**

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

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

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

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

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

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

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

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

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

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

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

120 (b) an elected official;

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

124 (d) an at-will employee who:

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

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

129 (e) a person appointed as a city manager or chief city administrator or another person
130 employed by a municipality, county, or other political subdivision, who is not entitled to merit
131 or civil service protection[-]; and

132 (f) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
133 Interlocal Cooperation Act, who is engaged in a specialized trade customarily provided through
134 membership in a labor organization that provides retirement benefits to its members.

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

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

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

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

144 (5) Each participating employer shall:

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

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

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

Legislative Review Note

as of 1-29-07 11:37 AM

Office of Legislative Research and General Counsel

S.B. 247 - Retirement Systems Membership Exclusions

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
