

1                                   **PUBLIC SAFETY RETIREES DEATH**

2   **BENEFIT REVISIONS**

3   2009 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Jon J. Greiner**

6   House Sponsor: Richard A. Greenwood

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8   **LONG TITLE**

9   **General Description:**

10           This bill modifies the Utah State Retirement and Insurance Benefit Act by amending  
11 death benefit provisions for the public safety and judges contributory and  
12 noncontributory retirement systems.

13   **Highlighted Provisions:**

14           This bill:

- 15           ▶ allows a public safety retiree to choose a death benefit of 75%, instead of 65%, of  
16 the retiree's allowance to be paid to the surviving spouse in exchange for an  
17 actuarially reduced retirement allowance;
- 18           ▶ provides that the public safety retiree must make the choice at the time of  
19 retirement;
- 20           ▶ allows a 12-month window for certain public safety retirees to elect an increased  
21 spousal death benefit paid through a reduction in the retiree's allowance;
- 22           ▶ requires the Retirement Board to make rules to administer the optional spousal  
23 death benefit; and
- 24           ▶ makes technical changes.

25   **Monies Appropriated in this Bill:**

26           None

27   **Other Special Clauses:**

28           This bill takes effect on July 1, 2009.

29   **Utah Code Sections Affected:**

30 AMENDS:

31 **49-14-504**, as renumbered and amended by Laws of Utah 2002, Chapter 250

32 **49-15-504**, as last amended by Laws of Utah 2003, Chapter 240

33 **49-17-502**, as renumbered and amended by Laws of Utah 2002, Chapter 250

34 **49-18-502**, as renumbered and amended by Laws of Utah 2002, Chapter 250



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

37 Section 1. Section **49-14-504** is amended to read:

38 **49-14-504. Benefits payable upon death of retired member -- Enhance benefit**  
39 **election -- Rulemaking.**

40 (1) If a retiree who retired under either Division A or Division B dies, the retiree's  
41 spouse at the time of death of the retiree shall receive an allowance equal to 65% of the  
42 allowance that was being paid to the retiree at the time of death.

43 (2) (a) Notwithstanding the amount of the allowance under Subsection (1), at the time  
44 of retirement, a retiree may elect to increase the spousal death benefit to 75% of an allowance  
45 computed in accordance with Section 49-14-402.

46 (b) If an election is made under Subsection (2)(a), the member's allowance shall be  
47 reduced to an amount payable monthly for life to reflect the actuarial equivalent necessary to  
48 pay for the increased spousal death benefit above 65%.

49 (3) (a) For a retiree whose retirement date is before July 1, 2009, the office shall  
50 provide an optional spousal death benefit to bring the total spousal death benefit up to 75% of  
51 an allowance computed in accordance with Section 49-14-402.

52 (b) A retiree may elect to purchase the optional spousal death benefit until July 1,  
53 2010.

54 (c) If an election is made under Subsection (3)(b), the retiree's allowance shall be  
55 reduced to an amount payable monthly for life to reflect the actuarial equivalent necessary to  
56 pay for the increased spousal death benefit above 65%.

57 (d) The board shall make rules to administer the death benefit under this Subsection

58 (3).

59 [~~(2)~~] (4) If the retiree retired solely under Division B and dies leaving unmarried  
60 children under the age of 18 or dependent unmarried mentally or physically disabled children,  
61 the children shall qualify for a benefit as prescribed for children under Subsection  
62 49-14-502(1)(c) which is payable on the first day of the month following the month in which  
63 the retiree died.

64 Section 2. Section **49-15-504** is amended to read:

65 **49-15-504. Benefits payable upon death of retired member -- Enhance benefit**  
66 **election -- Rulemaking.**

67 (1) If a retiree who retired under either Division A or Division B dies, the retiree's  
68 spouse at the time of death of the retiree shall receive an allowance equal to 65% of the  
69 allowance that was being paid to the retiree at the time of death.

70 (2) (a) Notwithstanding the amount of the allowance under Subsection (1), at the time  
71 of retirement, a retiree may elect to increase the spousal death benefit to 75% of an allowance  
72 computed in accordance with Section 49-15-402.

73 (b) If an election is made under Subsection (2)(a), the member's allowance shall be  
74 reduced to an amount payable monthly for life to reflect the actuarial equivalent necessary to  
75 pay for the increased spousal death benefit above 65%.

76 (3) (a) For a retiree whose retirement date is before July 1, 2009, the office shall  
77 provide an optional spousal death benefit to bring the total spousal death benefit up to 75% of  
78 an allowance computed in accordance with Section 49-15-402.

79 (b) A retiree may elect to purchase the optional spousal death benefit until July 1,  
80 2010.

81 (c) If an election is made under Subsection (3)(b), the retiree's allowance shall be  
82 reduced to an amount payable monthly for life to reflect the actuarial equivalent necessary to  
83 pay for the increased spousal death benefit above 65%.

84 (d) The board shall make rules to administer the death benefit under this Subsection  
85 (3).

86           ~~[(2)]~~ (4) If the retiree retired solely under Division B and dies leaving unmarried  
87 children under the age of 18 or dependent unmarried mentally or physically disabled children,  
88 the children shall qualify for a benefit as prescribed under Subsection 49-15-502(1)(d) which  
89 is payable on the first day of the month following the month in which the retiree died.

90           Section 3. Section **49-17-502** is amended to read:

91           **49-17-502. Benefits payable upon death of retired member.**

92           (1) (a) The death benefit payable to a retiree's spouse at the time of death is an  
93 allowance equal to 65% of the allowance which was being paid to the retiree at the time of  
94 death.

95           (b) The effective date of the accrual of this allowance is the first day of the month  
96 following the month in which the retiree died.

97           (2) (a) ~~[At]~~ Notwithstanding the amount of the allowance under Subsection (1), at the  
98 time of retirement, a retiree may elect to increase the spousal death benefit up to 75% of an  
99 allowance computed in accordance with Section 49-17-402.

100           (b) ~~[The]~~ If an election is made under Subsection (2)(a), the member's allowance shall  
101 be reduced to reflect the actuarial equivalent necessary to pay for the increased spousal death  
102 benefit above 65%.

103           Section 4. Section **49-18-502** is amended to read:

104           **49-18-502. Benefits payable upon death of retired member.**

105           (1) (a) The death benefit payable to a retiree's spouse at the time of death is an  
106 allowance equal to 65% of the allowance which was being paid to the retiree at the time of  
107 death.

108           (b) The effective date of the accrual of this allowance is the first day of the month  
109 following the month in which the retiree died.

110           (2) (a) ~~[At]~~ Notwithstanding the amount of the allowance under Subsection (1), at the  
111 time of retirement, a retiree may elect to increase the spousal death benefit up to 75% of an  
112 allowance computed in accordance with Section 49-18-402.

113           (b) ~~[The]~~ If an election is made under Subsection (2)(a), the member's allowance shall

114 be reduced to an amount payable monthly for life to reflect the actuarial equivalent necessary  
115 to pay for the increased spousal death benefit above 65%.

116           Section 5. **Effective date.**

117           This bill takes effect on July 1, 2009.