

**HIGHER EDUCATION RETIREMENT AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel R. Liljenquist**

House Sponsor: Don L. Ipson

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending participation provisions for higher education employees.

**Highlighted Provisions:**

This bill:

- ▶ allows a higher education employee hired on or after May 11, 2010, who has service credit in the Public Employees' Contributory Retirement System and the Public Employees' Noncontributory Retirement System, to elect to continue participation in that system regardless of the institution's employment classification assignment;
- ▶ provides a one-time irrevocable election until June 30, 2010, to a regular full-time employee of an institution of higher education **→ who has URS service credit ←** to transfer to a Public Employees' Retirement System;
- ▶ provides for certain rulemaking by the board; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:



28           **49-12-204**, as renumbered and amended by Laws of Utah 2002, Chapter 250

29           **49-13-204**, as renumbered and amended by Laws of Utah 2002, Chapter 250

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

32           Section 1. Section **49-12-204** is amended to read:

33           **49-12-204. Higher education employees' eligibility requirements -- Election**  
34 **between different retirement plans -- Classification requirements -- Transfer between**  
35 **systems -- One-time election window -- Rulemaking.**

36           (1) (a) [~~Regular full-time employees of institutions~~] A regular full-time employee of an  
37 institution of higher education who [~~are~~] is eligible to participate in either this system or in a  
38 retirement annuity contract with the Teachers' Insurance and Annuity Association of America  
39 or with any other public or private system, organization, or company, designated by the Board  
40 of Regents, shall, not later than January 1, 1979, elect to participate exclusively in this system  
41 or in an annuity contract allowed under this Subsection (1).

42           (b) The election is final, and no right exists to make any further election.

43           (2) (a) [~~A~~] Except as provided under Subsection (2)(c), a regular full-time employee  
44 hired by an institution of higher education after January 1, 1979, may participate only in the  
45 retirement plan which attaches to the person's employment classification.

46           (b) Each institution of higher education shall prepare or amend existing employment  
47 classifications, under the direction of the Board of Regents, so that each classification is  
48 assigned with either:

49           (i) this system;

50           (ii) the Teachers' Insurance and Annuity Association of America; or

51           (iii) another public or private system, organization, or company designated by the

52 Board of Regents.

53           (c) Notwithstanding a person's employment classification assignment under Subsection  
54 (2)(b), a regular full-time employee who begins employment with an institution of higher  
55 education on or after May 11, 2010, has a one-time irrevocable election to continue  
56 participation in this system, if the employee has service credit in this system before the date of  
57 employment.

58           (3) [~~A~~] Notwithstanding an employment classification assignment change made under

59 Subsection (2)(b), a regular full-time employee hired by an institution of higher education after  
 60 January 1, 1979, whose employment classification requires participation in this system may  
 61 elect to continue participation in this system [upon change to an employment classification  
 62 which requires participation in:].

63 ~~[(a) an annuity plan with the Teachers' Insurance and Annuity Association of America;~~  
 64 ~~or]~~

65 ~~[(b) another public or private system, organization, or company designated by the~~  
 66 ~~Board of Regents:]~~

67 (4) A regular full-time employee hired by an institution of higher education after  
 68 January 1, 1979, whose employment classification requires participation in this system shall  
 69 participate in this system.

70 (5) (a) Notwithstanding any other provision of this section, a regular full-time  
 71 employee of an institution of higher education ~~§~~→ **shall have a one-time irrevocable election to**  
 71a **participate in this system if the employee:**

71b (i) was hired after January 1, 1979;

71c (ii) , ~~§~~ whose employment classification assignment  
 72 under Subsection (2)(b) required participation in a retirement program other than this system  
 73 ~~§~~→ **[shall have a one-time irrevocable election to participate in this system] ; and**

73a (iii) has service credit in a system under this title ~~§~~ .

74 (b) The election under Subsection (5)(a) shall be made before June 30, 2010.

75 (c) All forms required by the office must be completed and received by the office no  
 76 later than June 30, 2010, for the election to participate in this system to be effective.

77 (d) Beginning July 1, 2010, a regular full-time employee of an institution of higher  
 78 education who elects to be covered by this system under Subsection (5)(a) may begin to accrue  
 79 service credit in this system.

80 (6) A regular full-time employee of an institution of higher education who elects to be  
 81 covered by this system under Subsection (2)(c) or (5)(a), may purchase periods of employment  
 82 while covered under another retirement program ~~§~~→ **sponsored by the institution of higher**  
 82a **education ~~§~~ by complying with the requirements of**  
 83 Section 49-11-403.

84 (7) The board shall make rules to implement this section.

85 Section 2. Section **49-13-204** is amended to read:

86 **49-13-204. Higher education employees' eligibility requirements -- Election**  
 87 **between different retirement plans -- Classification requirements -- Transfer between**  
 88 **systems -- One-time election window -- Rulemaking.**

89 (1) (a) [Regular full-time employees of institutions] A regular full-time employee of an

90 institution of higher education who ~~[are]~~ is eligible to participate in either this system or in a  
91 retirement annuity contract with the Teachers' Insurance and Annuity Association of America  
92 or with any other public or private system, organization, or company, designated by the Board  
93 of Regents, shall, not later than January 1, 1979, elect to participate exclusively in this system  
94 or in an annuity contract allowed under this Subsection (1)(a).

95 (b) The election is final, and no right exists to make any further election.

96 (2) (a) ~~[A]~~ Except as provided under Subsection (2)(c), a regular full-time employee  
97 hired by an institution of higher education after January 1, 1979, may participate only in the  
98 retirement plan which attaches to the person's employment classification.

99 (b) Each institution of higher education shall prepare or amend existing employment  
100 classifications, under the direction of the Board of Regents, so that each classification is  
101 assigned with either:

102 (i) this system;

103 (ii) the Teachers' Insurance and Annuity Association of America; or

104 (iii) another public or private system, organization, or company designated by the  
105 Board of Regents.

106 (c) Notwithstanding a person's employment classification assignment under Subsection  
107 (2)(b), a regular full-time employee who begins employment with an institution of higher  
108 education on or after May 11, 2010, has a one-time irrevocable election to continue  
109 participation in this system, if the employee has service credit in this system before the date of  
110 employment.

111 (3) ~~[A]~~ Notwithstanding an employment classification assignment change made under  
112 Subsection (2)(b), a regular full-time employee hired by an institution of higher education after  
113 January 1, 1979, whose employment classification requires participation in this system may  
114 elect to continue participation in this system ~~[upon change to an employment classification~~  
115 ~~which requires participation in:].~~

116 ~~[(a) an annuity plan with the Teachers' Insurance and Annuity Association of America;~~  
117 ~~or]~~

118 ~~[(b) another public or private system, organization, or company designated by the~~  
119 ~~Board of Regents.]~~

120 (4) A regular full-time employee hired by an institution of higher education after

121 January 1, 1979, whose employment classification requires participation in this system shall  
122 participate in this system.

123 (5) (a) Notwithstanding any other provision of this section, a regular full-time  
124 employee of an institution of higher education whose employment classification assignment  
125 under Subsection (2)(b) required participation in a retirement program other than this system  
126 shall have a one-time irrevocable election to participate in this system.

127 (b) The election under Subsection (5)(a) shall be made before June 30, 2010.

128 (c) All forms required by the office must be completed and received by the office no  
129 later than June 30, 2010, for the election to participate in this system to be effective.

130 (d) Beginning July 1, 2010, a regular full-time employee of an institution of higher  
131 education who elects to be covered by this system under Subsection (5)(a) may begin to accrue  
132 service credit in this system.

133 (6) A regular full-time employee of an institution of higher education who elects to be  
134 covered by this system under Subsection (2)(c) or (5)(a) may purchase periods of employment  
135 while covered under another retirement program by complying with the requirements of  
136 Section 49-11-403.

137 (7) The board shall make rules to implement this section.

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**Legislative Review Note**  
as of 2-12-10 1:06 PM

**Office of Legislative Research and General Counsel**

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**S.B. 171 - Higher Education Retirement Amendments**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Presuming employers bear the full cost of retirement rates, each individual with Utah Retirement System (URS) service credit that is hired by an institution of higher education and chooses to remain on the Utah Retirement System, and/or each eligible higher education employee that elects URS during the election period, would cost an institution of higher education more than current higher education retirement costs. We are unable to predict how many employees with URS service credit higher education would hire, nor how many would choose URS.

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**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. Eligible individuals may benefit.

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