

2nd Sub. S.B. 63

NEW PUBLIC EMPLOYEES' TIER II CONTRIBUTORY RETIREMENT ACT

HOUSE COMMITTEE AMENDMENTS

AMENDMENT 3

FEBRUARY 24, 2010 12:05 PM

Representative **Stephen E. Sandstrom** proposes the following amendments:

1. *Page 2, Lines 32 through 44:*

- 32 ▶ provides that the retirement benefits for public employees Tier II hybrid system
33 employees include:
- 34 • full retirement benefits after ~~{-35}~~ 30 years of service credit;
 - 35 • 2.5% cost-of-living adjustments on the retirement allowance;
 - 36 • a ~~{-1.0%}~~ 1.5% multiplier for each year of service;
 - 37 • a 401(k) employer contribution;
 - 38 • a death benefit; and
 - 39 • a disability benefit;
- 40 ▶ provides that the participating employer shall contribute for public employees Tier
41 II employees the percentage of the employee's compensation equal to the
42 corresponding Tier I system amortization rate plus ~~{-8%}~~ 12% ;
- 43 ▶ provides that the total public employees' Tier II contribution credited specifically on
44 behalf of a Tier II employee is ~~{-8%}~~ 12% of the employee's salary;

2. *Page 38, Lines 1167 through 1169:*

- 1167 (iv) ~~{-35}~~ 30 years of service credit if the eligible employee is covered by the defined benefit
1168 portion under Chapter 22, Part 3, Tier II Hybrid Retirement System, or is covered by the
1169 defined contribution plan under Chapter 22, Part 4, Tier II Defined Contribution Plan; or

3. *Page 47, Lines 1436 through 1439:*

- 1436 (2) (a) A participating employer shall pay up to ~~{-8%}~~ 12% of compensation toward the
1437 certified contribution rate to the office for the defined benefit portion of this system.
1438 (b) A member shall pay the amount, if any, of the certified contribution rate for the
1439 defined benefit portion of this system that exceeds ~~{-8%}~~ 12% to the office.

4. *Page 48, Lines 1467 through 1471:*

- 1467 (1) (a) A participating employer shall make a nonelective contribution on behalf of
1468 each regular full-time employee who is a member of this system in an amount equal to ~~{-8%}~~ 12%
1469 minus the contribution rate paid by the employer pursuant to Subsection 49-22-301(2)(a) of the
1470 member's compensation to a defined contribution plan qualified under Section 401(k) of the

1471 Internal Revenue Code which:

5. *Page 50, Line 1530:*

1530 (iv) the member has accrued at least ~~{35}~~ 30 years of service credit.

6. *Page 51, Lines 1546 through 1551:*

1546 (a) If the retiree is at least 65 years of age or has accrued at least ~~{35}~~ 30 years of service
1547 credit, the allowance is an amount equal to ~~{1.0%}~~ 1.5% of the retiree's final average salary
multiplied
1548 by the number of years of service credit accrued on and after July 1, 2011.

1549 (b) If the retiree is less than 65 years of age, the allowance shall be reduced by the full
1550 actuarial amount for each year of retirement from age 60 to age 65, unless the member has ~~{35}~~ 30
1551 or more years of accrued credit in which event no reduction is made to the allowance.

7. *Page 54, Lines 1661 through 1665:*

1661 (1) Up to the amount allowed by federal law, the participating employer shall
1662 contribute ~~{8%}~~ 12% of the participant's compensation to a defined contribution plan.

1663 (2)(a) The participating employer shall contribute the ~~{8%}~~ 12% nonelective contribution
1664 described in Subsection (1) to a defined contribution plan qualified under Section 401(k) of the
1665 Internal Revenue Code which: