

**VOLUNTEER FIREFIGHTERS' RETIREMENT AMENDMENTS**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ronda Rudd Menlove**

Senate Sponsor: Daniel R. Liljenquist

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**LONG TITLE**

**General Description:**

This bill amends the allocation of premium tax revenues to fund volunteer firefighters' long-term disability program.

**Highlighted Provisions:**

This bill:

▸ requires the Retirement Office to fund the long-term disability benefits for new ~~§~~→ [volunteer] ←~~§~~ firefighters using certain premium tax revenues previously deposited into the Firefighters' Retirement Trust Fund; and

▸ makes technical amendments.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**49-11-902**, as last amended by Laws of Utah 2008, Chapter 227

**49-16-301**, as last amended by Laws of Utah 2004, Chapter 262

**49-23-601**, as enacted by Laws of Utah 2010, Chapter 266

ENACTS:

**49-11-901.5**, Utah Code Annotated 1953



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29 *Be it enacted by the Legislature of the state of Utah:*30 Section 1. Section **49-11-901.5** is enacted to read:31 **49-11-901.5. Premium tax revenues -- Distribution.**32 (1) (a) In accordance with this section there shall be paid ~~H~~ to the office ~~H~~ :33 (i) 50% of the annual tax levied, assessed, and collected under Title 59, Chapter 9,  
34 Taxation of Admitted Insurers, upon premiums for property insurance, as defined under  
35 Section 31A-1-301, and as applied to fire and allied lines insurance collected by insurance  
36 companies within the state; and37 (ii) 10% of all money assessed and collected under Title 59, Chapter 9, Taxation of  
38 Admitted Insurers, upon premiums for life insurance, as defined in Section 31A-1-301, within  
39 the state.40 (b) Payments to the fund shall be made annually until the service liability under this  
41 part is liquidated, after which the tax revenue provided in this Subsection (1) ceases.42 (2) The office shall distribute the premium tax revenue paid under Subsection (1) as  
43 follows:44 (a) an amount determined by the office to fully fund the long-term disability program  
45 provided for ~~S~~ [volunteer] ~~S~~ firefighters under Section 49-23-601;46 (b) an amount determined by the office to the Firefighters' Retirement Trust Fund  
47 created under Section 49-16-104 equal to an amount when calculated as a percentage of the  
48 certified contribution rate for members in Division A and B, as defined under Section  
49 49-16-301, is the percentage of the certified contribution rate paid to the Firefighters'  
50 Retirement Trust Fund on July 1, 2004; and51 (c) any remaining amount in accordance with Section 49-11-902.51a ~~**S** [H] (3) (a) In accordance with rules made by the office, a participating employer shall~~  
51b ~~provide the office with information on each person who is actively serving the participating~~  
51c ~~employer as a volunteer firefighter in order for the person to be eligible for long-term~~  
51d ~~disability coverage under this section.~~51e ~~(b) A participating employer shall provide to the office:~~51f ~~(i) the information under Subsection (3)(a), not later than July 1, 2011; and~~51g ~~(ii) updates to the information as changes occur. ~~H~~ ~~S~~~~52 Section 2. Section **49-11-902** is amended to read:53 **49-11-902. Premium tax revenues -- Formula -- Deposits.**54 (1) [(a)] If the premium tax revenue received by the office under Subsection  
55 [49-16-301(6), when calculated as a percentage of the certified contribution rate for members  
56 in Division A and B, as defined under Section 49-16-301, exceeds the percentage of the  
57 certified contribution rate paid to the Firefighters' Retirement Trust Fund in accordance with  
58 Subsection 49-16-301(6) on July 1, 2004,] 49-11-901.5(1) and first paid in accordance with

90 (3) (a) A participating employer may elect to pay all or part of the required member  
91 contributions, in addition to the required participating employer contributions.

92 (b) Any amount contributed by a participating employer under this section shall vest to  
93 the member's benefit as though the member had made the contribution.

94 (c) The required member contributions shall be reduced by the amount that is paid by  
95 the participating employer.

96 (4) (a) All member contributions are credited by the office to the account of the  
97 individual member.

98 (b) This amount is held in trust for the payment of benefits to the member or the  
99 member's beneficiaries.

100 (c) All member contributions are vested and nonforfeitable.

101 (5) (a) Each member is considered to consent to payroll deductions of member  
102 contributions.

103 (b) The payment of compensation less these payroll deductions is considered to be full  
104 payment for services rendered by the member.

105 ~~[(6) (a) Except as provided in Section 49-11-902, in addition to contribution rates  
106 described under this section, there shall be paid to the Firefighters' Retirement Trust Fund  
107 created under Section 49-16-104:]~~

108 ~~[(i) 50% of the annual tax levied, assessed, and collected under Title 59, Chapter 9,  
109 Taxation of Admitted Insurers, upon premiums for property insurance, as defined under  
110 Section 31A-1-301, and as applied to fire and allied lines insurance collected by insurance  
111 companies within the state; and]~~

112 ~~[(ii) 10% of all money assessed and collected under Title 59, Chapter 9, Taxation of  
113 Admitted Insurers, upon premiums for life insurance, as defined in Section 31A-1-301, within  
114 the state:]~~

115 ~~[(b) Payments to the fund shall be made annually until the service liability is  
116 liquidated, after which the tax revenue provided in this Subsection (6) for the Firefighters'  
117 Retirement Trust Fund ceases:]~~

118 Section 4. Section **49-23-601** is amended to read:

119 **49-23-601. Long-term disability coverage.**

120 (1) ~~§~~ → [Each] A ← ~~§~~ participating employer shall cover ~~§~~ → [the following employees] a  
120a **public safety employee who initially enters employment on or after July 1, 2011, ←** ~~§~~  
120b Title 49,

121 Chapter 21, Public Employees' Long-Term Disability Act, or a substantially similar long-term  
122 disability program ~~§~~ → [:] . ← ~~§~~

123 [(1)] ~~§~~ → [(a)] ~~public safety employees initially entering employment on or after July 1, 2011;~~

124 ~~— [(2)] (b) firefighter service employees initially entering employment on or after July 1,~~  
125 ~~2011; and~~

126 ~~— [(3)] (c) volunteer firefighters.~~

127 ~~— (2) The office shall ensure that the long-term disability program provided for volunteer~~  
128 ~~firefighters under this section is funded with money paid under Section 49-11-901.5.]~~

128a (2) (a) A participating employer shall cover a firefighter employee who initially enters  
128b employment on or after July 1, 2011 under Title 49, Chapter 21, Public Employees'  
128c Long-Term Disability Act.

128d (b) In accordance with this section, a participating employer shall provided long term  
128e disability benefit coverage for a volunteer firefighter as provided under Section 49-16-701.

128f (c) The office shall ensure that the cost of the long-term disability benefit coverage  
128g provided under Subsection (2)(a) and (b) is funded with revenue received under Section  
128h 49-11-901.5. ←§

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Legislative Review Note  
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Office of Legislative Research and General Counsel