

59 **upon eligibility for allowance -- Continuing medical and life insurance benefits after**
 60 **retirement.**

61 (1) (a) There is created the "Unused Sick Leave Retirement Option Program I."

62 (b) An agency may offer the Unused Sick Leave Retirement Option Program I to an
 63 employee who is eligible to receive a retirement allowance in accordance with Title 49, Utah
 64 State Retirement and Insurance Benefit Act.

65 (2) The Unused Sick Leave Retirement Option Program I provides that upon becoming
 66 eligible to receive a retirement allowance an employee who was employed by the state prior to
 67 January 1, 2006:

68 (a) receives a contribution under Subsection (3) for 25% of the employee's unused
 69 accumulated sick leave accrued prior to January 1, 2006, at the employee's rate of pay at the
 70 time of retirement; ~~H→~~ and ~~←H~~

71 [~~(b) receives continuing medical and life insurance benefits until the earlier of:~~]

72 [~~(i) the date the employee reaches the age eligible for Medicare; or~~]

73 [~~(ii) up to the following number of years:]~~

74 [~~(A) five years if the employee retires during calendar year 2006;]~~

75 [~~(B) four years if the employee retires during calendar year 2007;]~~

76 [~~(C) three years if the employee retires during calendar year 2008;]~~

77 [~~(D) two years if the employee retires during calendar year 2009;]~~

78 [~~(E) one year if the employee retires during calendar year 2010; or~~]

79 [~~(F) zero years if the employee retires after calendar year 2010; and]~~

80 [~~(e)~~] (b) may purchase additional continuing medical and life insurance benefits in
 81 accordance with Subsection (4).

82 (3) (a) Subject to federal requirements and limitations, the contribution under
 83 Subsection (2)(a) shall be transferred directly to the employee's defined contribution plan
 84 qualified under Section 401(k) of the Internal Revenue Code which is sponsored by the Utah
 85 State Retirement Board.

86 (b) If the amount calculated under Subsection (2)(a) exceeds the federal contribution
 87 limitations, the employee's unused accumulated sick leave hours representing the excess shall
 88 be used for the purchase of continuing medical and life insurance benefits under Subsection
 89 (4).

183 described in Subsection (2).

184 (c) (i) ~~H~~→ [The] Subject to the maximum limit under Subsection (3)(c)(iii), the ←~~H~~

184a Legislature shall annually determine the contribution amount that an

185 employer shall provide to each qualifying employee under Subsection (2).

186 (ii) The department shall make recommendations annually to the Legislature on the
187 contribution amount required under Subsection (2), in consultation with the Governor's Office
188 of Management and Budget and the Division of Finance.

188a ~~H~~→ (iii) The biweekly matching contribution amount required under Subsection (2) may
188b not exceed \$26 for each qualifying employee. ←~~H~~

189 (4) A qualifying employee is eligible to receive the biweekly contribution under this
190 section for any pay period in which the employee is in a paid status or other status protected by
191 federal or state law.

192 (5) The employer and employee contributions made under this section vest
193 immediately upon deposit and can be withdrawn by the employee at any time, subject to
194 Internal Revenue Code regulations on the withdrawals.

195 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
196 executive director shall make rules establishing procedures to implement the provisions of this
197 section.

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