

**RECODIFICATION OF POSTRETIREMENT REEMPLOYMENT  
PROVISIONS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kraig Powell**

Senate Sponsor: Todd Weiler

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**LONG TITLE**

**Committee Note:**

The Retirement and Independent Entities Interim Committee recommended this bill.

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending postretirement reemployment provisions.

**Highlighted Provisions:**

This bill:

- ▶ recodifies postretirement employment provisions;
- ▶ clarifies amortization rate payments for certain reemployed retirees; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

⚡→ [None] This bill provides a coordination clause. ←⚡

**Utah Code Sections Affected:**

AMENDS:

**49-11-102**, as last amended by Laws of Utah 2014, Chapter 15

**49-11-405**, as last amended by Laws of Utah 2010, Chapter 264

**49-11-504**, as last amended by Laws of Utah 2013, Chapter 316



- 28            **49-12-401**, as last amended by Laws of Utah 2015, Chapter 256
- 29            **49-12-701**, as last amended by Laws of Utah 2010, Chapter 264
- 30            **49-13-401**, as last amended by Laws of Utah 2015, Chapter 256
- 31            **49-13-701**, as last amended by Laws of Utah 2010, Chapter 264
- 32            **49-14-401**, as last amended by Laws of Utah 2015, Chapter 256
- 33            **49-15-401**, as last amended by Laws of Utah 2015, Chapter 256
- 34            **49-16-203**, as last amended by Laws of Utah 2010, Chapter 264
- 35            **49-16-401**, as last amended by Laws of Utah 2015, Chapter 256
- 36            **49-22-304**, as last amended by Laws of Utah 2015, Chapter 256
- 37            **49-23-303**, as last amended by Laws of Utah 2015, Chapter 256
- 38            **67-19-43**, as last amended by Laws of Utah 2015, Chapter 248

ENACTS:

- 40            **49-11-1201**, Utah Code Annotated 1953
- 41            **49-11-1202**, Utah Code Annotated 1953
- 42            **49-11-1203**, Utah Code Annotated 1953
- 43            **49-11-1204**, Utah Code Annotated 1953
- 44            **49-11-1205**, Utah Code Annotated 1953
- 45            **49-11-1206**, Utah Code Annotated 1953
- 46            **49-11-1207**, Utah Code Annotated 1953
- 47            **49-11-1208**, Utah Code Annotated 1953

REPEALS:

- 49            **49-11-505**, as last amended by Laws of Utah 2015, Chapters 243 and 256

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

Section 1. Section **49-11-102** is amended to read:

**49-11-102. Definitions.**

As used in this title:

(1) (a) "Active member" means a member who:

(i) is employed by a participating employer and accruing service credit; or

(ii) within the previous 120 days:

(A) has been employed by a participating employer; and

59 (B) accrued service credit.

60 (b) "Active member" does not include a retiree.

61 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the  
62 basis of mortality tables as recommended by the actuary and adopted by the executive director,  
63 including regular interest.

64 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and  
65 adopted by the board upon which the funding of system costs and benefits are computed.

66 (4) (a) "Agency" means:

67 (i) a department, division, agency, office, authority, commission, board, institution, or  
68 hospital of the state;

69 (ii) a county, municipality, school district, local district, or special service district;

70 (iii) a state college or university; or

71 (iv) any other participating employer.

72 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a  
73 subdivision of another entity listed under Subsection (4)(a).

74 (5) "Allowance" or "retirement allowance" means the pension plus the annuity,  
75 including any cost of living or other authorized adjustments to the pension and annuity.

76 (6) "Alternate payee" means a member's former spouse or family member eligible to  
77 receive payments under a Domestic Relations Order in compliance with Section [49-11-612](#).

78 (7) "Amortization rate" means the board certified percent of salary required to amortize  
79 the unfunded actuarial accrued liability in accordance with policies established by the board  
80 upon the advice of the actuary.

81 (8) "Annuity" means monthly payments derived from member contributions.

82 (9) "Appointive officer" means an employee appointed to a position for a definite and  
83 fixed term of office by official and duly recorded action of a participating employer whose  
84 appointed position is designated in the participating employer's charter, creation document, or  
85 similar document, and:

86 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in  
87 Section [49-12-407](#) for a Tier I appointive officer; and

88 (b) whose appointive position is full-time as certified by the participating employer for  
89 a Tier II appointive officer.

90 (10) (a) "At-will employee" means a person who is employed by a participating  
91 employer and:

92 (i) who is not entitled to merit or civil service protection and is generally considered  
93 exempt from a participating employer's merit or career service personnel systems;

94 (ii) whose on-going employment status is entirely at the discretion of the person's  
95 employer; or

96 (iii) who may be terminated without cause by a designated supervisor, manager, or  
97 director.

98 (b) "At-will employee" does not include a career employee who has obtained a  
99 reasonable expectation of continued employment based on inclusion in a participating  
100 employer's merit system, civil service protection system, or career service personnel systems,  
101 policies, or plans.

102 (11) "Beneficiary" means any person entitled to receive a payment under this title  
103 through a relationship with or designated by a member, participant, covered individual, or  
104 alternate payee of a defined contribution plan.

105 (12) "Board" means the Utah State Retirement Board established under Section  
106 [49-11-202](#).

107 (13) "Board member" means a person serving on the Utah State Retirement Board as  
108 established under Section [49-11-202](#).

109 (14) "Certified contribution rate" means the board certified percent of salary paid on  
110 behalf of an active member to the office to maintain the system on a financially and actuarially  
111 sound basis.

112 (15) "Contributions" means the total amount paid by the participating employer and the  
113 member into a system or to the Utah Governors' and Legislators' Retirement Plan under  
114 Chapter 19, Utah Governors' and Legislators' Retirement Act.

115 (16) "Council member" means a person serving on the Membership Council  
116 established under Section [49-11-202](#).

117 (17) "Covered individual" means any individual covered under Chapter 20, Public  
118 Employees' Benefit and Insurance Program Act.

119 (18) "Current service" means covered service under:

120 (a) Chapter 12, Public Employees' Contributory Retirement Act;

- 121 (b) Chapter 13, Public Employees' Noncontributory Retirement Act;
- 122 (c) Chapter 14, Public Safety Contributory Retirement Act;
- 123 (d) Chapter 15, Public Safety Noncontributory Retirement Act;
- 124 (e) Chapter 16, Firefighters' Retirement Act;
- 125 (f) Chapter 17, Judges' Contributory Retirement Act;
- 126 (g) Chapter 18, Judges' Noncontributory Retirement Act;
- 127 (h) Chapter 19, Utah Governors' and Legislators' Retirement Act;
- 128 (i) Chapter 22, New Public Employees' Tier II Contributory Retirement Act; or
- 129 (j) Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act.

130 (19) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a  
131 system or plan offered under this title to provide a specified allowance to a retiree or a retiree's  
132 spouse after retirement that is based on a set formula involving one or more of the following  
133 factors:

- 134 (a) years of service;
- 135 (b) final average monthly salary; or
- 136 (c) a retirement multiplier.

137 (20) "Defined contribution" or "defined contribution plan" means any defined  
138 contribution plan or deferred compensation plan authorized under the Internal Revenue Code  
139 and administered by the board.

140 (21) "Educational institution" means a political subdivision or instrumentality of the  
141 state or a combination thereof primarily engaged in educational activities or the administration  
142 or servicing of educational activities, including:

- 143 (a) the State Board of Education and its instrumentalities;
- 144 (b) any institution of higher education and its branches;
- 145 (c) any school district and its instrumentalities;
- 146 (d) any vocational and technical school; and
- 147 (e) any entity arising out of a consolidation agreement between entities described under  
148 this Subsection (21).

149 (22) "Elected official":

- 150 (a) means a person elected to a state office, county office, municipal office, school  
151 board or school district office, local district office, or special service district office;

152 (b) includes a person who is appointed to serve an unexpired term of office described  
153 under Subsection (22)(a); and

154 (c) does not include a judge or justice who is subject to a retention election under  
155 Section [20A-12-201](#).

156 (23) (a) "Employer" means any department, educational institution, or political  
157 subdivision of the state eligible to participate in a government-sponsored retirement system  
158 under federal law.

159 (b) "Employer" may also include an agency financed in whole or in part by public  
160 funds.

161 (24) "Exempt employee" means an employee working for a participating employer:

162 (a) who is not eligible for service credit under Section [49-12-203](#), [49-13-203](#),  
163 [49-14-203](#), [49-15-203](#), or [49-16-203](#); and

164 (b) for whom a participating employer is not required to pay contributions or  
165 nonelective contributions.

166 (25) "Final average monthly salary" means the amount computed by dividing the  
167 compensation received during the final average salary period under each system by the number  
168 of months in the final average salary period.

169 (26) "Fund" means any fund created under this title for the purpose of paying benefits  
170 or costs of administering a system, plan, or program.

171 (27) (a) "Inactive member" means a member who has not been employed by a  
172 participating employer for a period of at least 120 days.

173 (b) "Inactive member" does not include retirees.

174 (28) (a) "Initially entering" means hired, appointed, or elected for the first time, in  
175 current service as a member with any participating employer.

176 (b) "Initially entering" does not include a person who has any prior service credit on  
177 file with the office.

178 (c) "Initially entering" includes an employee of a participating employer, except for an  
179 employee that is not eligible under a system or plan under this title, who:

180 (i) does not have any prior service credit on file with the office;

181 (ii) is covered by a retirement plan other than a retirement plan created under this title;

182 and

183 (iii) moves to a position with a participating employer that is covered by this title.

184 (29) "Institution of higher education" means an institution described in Section

185 53B-1-102.

186 (30) (a) "Member" means a person, except a retiree, with contributions on deposit with  
187 a system, the Utah Governors' and Legislators' Retirement Plan under Chapter 19, Utah  
188 Governors' and Legislators' Retirement Act, or with a terminated system.

189 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)  
190 of the Internal Revenue Code, if the employees have contributions on deposit with the office.  
191 If leased employees constitute less than 20% of the participating employer's work force that is  
192 not highly compensated within the meaning of Section 414(n)(5)(c)(ii), Internal Revenue Code,  
193 "member" does not include leased employees covered by a plan described in Section 414(n)(5)  
194 of the federal Internal Revenue Code.

195 (31) "Member contributions" means the sum of the contributions paid to a system or  
196 the Utah Governors' and Legislators' Retirement Plan, including refund interest if allowed by a  
197 system, and which are made by:

198 (a) the member; and

199 (b) the participating employer on the member's behalf under Section 414(h) of the  
200 Internal Revenue Code.

201 (32) "Nonelective contribution" means an amount contributed by a participating  
202 employer into a participant's defined contribution account.

203 (33) "Normal cost rate":

204 (a) means the percent of salary that is necessary for a retirement system that is fully  
205 funded to maintain its fully funded status; and

206 (b) is determined by the actuary based on the assumed rate of return established by the  
207 board.

208 (34) "Office" means the Utah State Retirement Office.

209 (35) "Participant" means an individual with voluntary deferrals or nonelective  
210 contributions on deposit with the defined contribution plans administered under this title.

211 (36) "Participating employer" means a participating employer, as defined by Chapter  
212 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'  
213 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,

214 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'  
215 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'  
216 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds  
217 which is participating in a system or plan as of January 1, 2002.

218 (37) "Part-time appointed board member" means a person:

219 (a) who is appointed to serve as a member of a board, commission, council, committee,  
220 or panel of a participating employer; and

221 (b) whose service as a part-time appointed board member does not qualify as a regular  
222 full-time employee as defined under Section [49-12-102](#), [49-13-102](#), or [49-22-102](#).

223 (38) "Pension" means monthly payments derived from participating employer  
224 contributions.

225 (39) "Plan" means the Utah Governors' and Legislators' Retirement Plan created by  
226 Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees' Tier  
227 II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution Plan,  
228 the New Public Safety and Firefighter Tier II Defined Contribution Plan created by Chapter 23,  
229 Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created under  
230 Section [49-11-801](#).

231 (40) (a) "Political subdivision" means any local government entity, including cities,  
232 towns, counties, and school districts, but only if the subdivision is a juristic entity that is legally  
233 separate and distinct from the state and only if its employees are not by virtue of their  
234 relationship to the entity employees of the state.

235 (b) "Political subdivision" includes local districts, special service districts, or  
236 authorities created by the Legislature or by local governments, including the office.

237 (c) "Political subdivision" does not include a project entity created under Title 11,  
238 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.

239 (41) "Program" means the Public Employees' Insurance Program created under Chapter  
240 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'  
241 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term  
242 Disability Act.

243 (42) "Public funds" means those funds derived, either directly or indirectly, from public  
244 taxes or public revenue, dues or contributions paid or donated by the membership of the



245 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,  
246 the governmental, educational, and social programs and systems of the state or its political  
247 subdivisions.

248 (43) "Qualified defined contribution plan" means a defined contribution plan that  
249 meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

250 [~~(44)~~ (a) "Reemployed," "reemploy," or "reemployment" means work or service  
251 performed for a participating employer after retirement, in exchange for compensation.]

252 [~~(b)~~ Reemployment includes work or service performed on a contract for a  
253 participating employer if the retiree is:]

254 [(i) listed as the contractor; or]

255 [(ii) an owner, partner, or principal of the contractor.]

256 [~~(45)~~ (44) "Refund interest" means the amount accrued on member contributions at a  
257 rate adopted by the board.

258 [~~(46)~~ (45) "Retiree" means an individual who has qualified for an allowance under this  
259 title.

260 [~~(47)~~ (46) "Retirement" means the status of an individual who has become eligible,  
261 applies for, and is entitled to receive an allowance under this title.

262 [~~(48)~~ (47) "Retirement date" means the date selected by the member on which the  
263 member's retirement becomes effective with the office.

264 [~~(49)~~ (48) "Retirement related contribution":

265 (a) means any employer payment to any type of retirement plan or program made on  
266 behalf of an employee; and

267 (b) does not include Social Security payments or Social Security substitute payments  
268 made on behalf of an employee.

269 [~~(50)~~ (49) "Service credit" means:

270 (a) the period during which an employee is employed and compensated by a  
271 participating employer and meets the eligibility requirements for membership in a system or the  
272 Utah Governors' and Legislators' Retirement Plan, provided that any required contributions are  
273 paid to the office; and

274 (b) periods of time otherwise purchasable under this title.

275 [~~(51)~~ (50) "System" means the individual retirement systems created by Chapter 12,

276 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'  
277 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,  
278 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'  
279 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'  
280 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement  
281 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part  
282 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid  
283 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

284 ~~[(52)]~~ (51) "Tier I" means a system or plan under this title for which:

285 (a) an employee is eligible to participate if the employee initially enters regular  
286 full-time employment before July 1, 2011; or

287 (b) a governor or legislator who initially enters office before July 1, 2011.

288 ~~[(53)]~~ (52) (a) "Tier II" means a system or plan under this title provided in lieu of a  
289 Tier I system or plan for an employee, governor, legislator, or full-time elected official who  
290 does not have Tier I service credit in a system or plan under this title:

291 (i) if the employee initially enters regular full-time employment on or after July 1,  
292 2011; or

293 (ii) if the governor, legislator, or full-time elected official initially enters office on or  
294 after July 1, 2011.

295 (b) "Tier II" includes:

296 (i) the Tier II hybrid system established under:

297 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or

298 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and

299 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:

300 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or

301 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.

302 ~~[(54)]~~ (53) "Unfunded actuarial accrued liability" or "UAAL":

303 (a) is determined by the system's actuary; and

304 (b) means the excess, if any, of the accrued liability of a retirement system over the  
305 actuarial value of its assets.

306 ~~[(55)]~~ (54) "Voluntary deferrals" means an amount contributed by a participant into

307 that participant's defined contribution account.

308 Section 2. Section **49-11-405** is amended to read:

309 **49-11-405. Service credit from different systems or plans -- Eligibility and**  
310 **calculation of service credit.**

311 (1) (a) A member who has service credit from two or more systems or one or more  
312 systems and the Utah Governors' and Legislators' Retirement Plan may combine service credit  
313 for purposes of determining eligibility for retirement.

314 (b) The provisions of Subsection (1)(a) do not apply to concurrent service.

315 (2) To be eligible for the calculation under Subsection (3), the member's service credit  
316 earned under the different systems or the Utah Governors' and Legislators' Retirement Plan  
317 shall at least equal the minimum amount of service credit required to retire from the system  
318 which most recently covered the member.

319 (3) If a member meets the requirements of Subsection (2), the office shall calculate the  
320 member's allowance using all service credit earned from any system or the Utah Governors' and  
321 Legislators' Retirement Plan, with no actuarial reduction applied to the allowance, except the  
322 service credit used to calculate the benefit shall be increased or decreased to reflect the value of  
323 the assets transferred.

324 (4) The office shall establish the standards used for calculating any increase or decrease  
325 in the service credit.

326 (5) This section does not apply to a retiree who is subject to ~~[Sections]~~ Section  
327 49-11-504 and ~~[49-11-505]~~ Chapter 11, Part 12, Postretirement Reemployment Restrictions  
328 Act.

329 Section 3. Section **49-11-504** is amended to read:

330 **49-11-504. Reemployment of a retiree -- Restrictions.**

331 (1) As used in this section~~[;]~~:

332 (a) "full-time" means:

333 ~~[(a)]~~ (i) employment requiring 20 or more hours of work per week; or

334 ~~[(b)]~~ (ii) at least a half-time teaching contract.

335 (b) "Reemployed," "reemploy," or "reemployment" means the same as those terms are  
336 defined in Section 49-11-1202.

337 (2) (a) Except for the provisions of Subsection (3), the provisions of this section do not

338 apply to a person who is subject to the provisions of [~~Section 49-11-505~~] Chapter 11, Part 12,  
339 Postretirement Reemployment Restrictions Act.

340 (b) This section does not apply to employment as an elected official.

341 (3) A person who is not a retiree under this title is not subject to any postretirement  
342 restrictions under this title.

343 (4) A retiree of an agency who is reemployed may not earn additional service credit, if  
344 the retiree is reemployed by:

345 (a) a different agency; or

346 (b) the same agency after six months from the retirement date.

347 (5) A retiree of an agency who is reemployed on a full-time basis by the same agency  
348 within six months of the date of retirement is subject to the following:

349 (a) the agency shall immediately notify the office;

350 (b) the office shall cancel the retiree's allowance and reinstate the retiree to active  
351 member status;

352 (c) the allowance cancellation and reinstatement to active member status is effective on  
353 the first day of the month following the date of reemployment;

354 (d) the reinstated retiree may not retire again with a recalculated benefit for a two-year  
355 period from the date of cancellation of the original allowance, and if the retiree retires again  
356 within the two-year period, the original allowance shall be resumed; and

357 (e) a reinstated retiree retiring after the two-year period shall be credited with the  
358 service credit in the retiree's account at the time of the first retirement and from that time shall  
359 be treated as a member of a system, including the accrual of additional service credit, but  
360 subject to recalculation of the allowance under Subsection (9).

361 (6) A retiree of an agency who is reemployed by the same agency within six months of  
362 retirement on a less than full-time basis by the same agency is subject to the following:

363 (a) the retiree may earn, without penalty, compensation from that position which is not  
364 in excess of the exempt earnings permitted by Social Security;

365 (b) if a retiree receives compensation in a calendar year in excess of the Social Security  
366 limitation, 25% of the allowance shall be suspended for the remainder of the six-month period;

367 (c) the effective date of a suspension and reinstatement of an allowance shall be set by  
368 the office; and

369 (d) any suspension of a retiree's allowance under this Subsection (6) shall be applied on  
370 a calendar year basis.

371 (7) For six months immediately following retirement, the retiree and participating  
372 employer who are subject to Subsection (6) shall:

373 (a) maintain an accurate record of gross earnings in employment;

374 (b) report the gross earnings at least monthly to the office;

375 (c) immediately notify the office in writing of any postretirement earnings under  
376 Subsection (6); and

377 (d) immediately notify the office in writing whether postretirement earnings equal or  
378 exceed the exempt earnings under Subsection (6).

379 (8) (a) If a participating employer hires a retiree, the participating employer may not  
380 make a retirement related contribution in an amount that exceeds the normal cost rate as  
381 defined under Section 49-11-102 on behalf of the retiree under Subsections (8)(b) and (c).

382 (b) The contributions under Subsection (8)(a) are not required, but if paid, shall be paid  
383 to a retiree-designated:

384 (i) qualified defined contribution plan administered by the board, if the participating  
385 employer participates in a qualified defined contribution plan administered by the board; or

386 (ii) qualified defined contribution plan offered by the participating employer if the  
387 participating employer does not participate in a qualified defined contribution plan  
388 administered by the board.

389 (c) Notwithstanding the provisions of Subsection (8)(b), if an employer is not  
390 participating in a qualified defined contribution plan administered by the board, the employer  
391 may elect to pay the contributions under Subsection (8)(a) to a deferred compensation plan  
392 administered by the board.

393 (9) A retiree who has returned to work, accrued additional service credit, and again  
394 retires shall have the retiree's allowance recalculated using:

395 (a) the formula in effect at the date of the retiree's original retirement for all service  
396 credit accrued prior to that date; and

397 (b) the formula in effect at the date of the subsequent retirement for all service credit  
398 accrued between the first and subsequent retirement dates.

399 (10) The board may make rules to implement this section.

400 Section 4. Section **49-11-1201** is enacted to read:

401 **Part 12. Postretirement Reemployment Restrictions Act**

402 **49-11-1201. Title.**

403 This part is known as the "Postretirement Reemployment Restrictions Act."

404 Section 5. Section **49-11-1202** is enacted to read:

405 **49-11-1202. Definitions.**

406 As used in this part:

407 (1) (a) "Affiliated emergency services worker" means a person who:

408 (i) is employed by a participating employer;

409 (ii) performs emergency services for another participating employer that is a different  
410 agency;

411 (iii) is trained in techniques and skills required for the emergency service;

412 (iv) continues to receive regular training required for the service;

413 (v) is on the rolls as a trained affiliated emergency services worker of the participating  
414 employer; and

415 (vi) provides ongoing service for a participating employer, which service may include  
416 service as a volunteer firefighter, reserve law enforcement officer, search and rescue worker,  
417 emergency medical technician, ambulance worker, park ranger, or public utilities worker.

418 (b) "Affiliated emergency services worker" does not include a person who performs  
419 work or service but does not meet the requirements of Subsection (1)(a).

420 (2) "Amortization rate" means the amortization rate, as defined in Section [49-11-102](#),  
421 to be applied to the system that would have covered the retiree if the retiree's reemployed  
422 position were deemed to be an eligible, full-time position within that system.

423 (3) (a) "Reemployed," "reemploy," or "reemployment" means work or service  
424 performed for a participating employer after retirement, in exchange for compensation.

425 (b) Reemployment includes work or service performed on a contract for a participating  
426 employer if the retiree is:

427 (i) listed as the contractor; or

428 (ii) an owner, partner, or principal of the contractor.

429 (4) "Retiree":

430 (a) means a person who:

- 431 (i) retired from a participating employer; and  
432 (ii) begins reemployment on or after July 1, 2010, with a participating employer; and  
433 (b) does not include a person:  
434 (i) who was reemployed by a participating employer before July 1, 2010; and  
435 (ii) whose participating employer that reemployed the person under Subsection  
436 (3)(b)(i) was dissolved, consolidated, merged, or structurally changed in accordance with  
437 Section [49-11-621](#) on or after July 1, 2010.

438 Section 6. Section **49-11-1203** is enacted to read:

439 **49-11-1203. Applicability.**

440 (1) (a) This part does not apply to employment as an elected official if the elected  
441 official's position is not full time as certified by the participating employer.

442 (b) The provisions of this part apply to an elected official whose elected position is full  
443 time as certified by the participating employer.

444 (2) (a) This part does not apply to employment as a part-time appointed board member  
445 who does not receive any remuneration, stipend, or other benefit for the part-time appointed  
446 board member's service.

447 (b) For purposes of this Subsection (2), remuneration, stipend, or other benefit does not  
448 include receipt of per diem and travel expenses up to the amounts established by the Division  
449 of Finance in:

450 (i) Section [63A-3-106](#);

451 (ii) Section [63A-3-107](#); and

452 (iii) rules made by the Division of Finance according to Sections [63A-3-106](#) and  
453 [63A-3-107](#).

454 (3) This part does not apply to a person who is reemployed as an active senior judge or  
455 an active senior justice court judge as described by Utah State Court Rules, appointed to hear  
456 cases by the Utah Supreme Court in accordance with Article VIII, Section 4, Utah Constitution.

457 Section 7. Section **49-11-1204** is enacted to read:

458 **49-11-1204. General Restrictions -- Election following one-year separation --**  
459 **Amortization rate.**

460 (1) A retiree may not for the same period of reemployment:

461 (a) (i) earn additional service credit; or

462 (ii) receive any retirement related contribution from a participating employer; and

463 (b) receive a retirement allowance.

464 (2) Except as provided under Section [49-11-1205](#), the office shall cancel the retirement  
465 allowance of a retiree if the reemployment with a participating employer begins within one year  
466 of the retiree's retirement date.

467 (3) If a reemployed retiree has completed the one-year separation from employment  
468 with a participating employer required under Subsection (2), the retiree may elect to:

469 (a) cancel the retiree's retirement allowance and instead earn additional service credit in  
470 accordance with this title; or

471 (b) continue to receive the retiree's retirement allowance, forfeit earning additional  
472 service credit, and forfeit any retirement-related contribution from the participating employer  
473 that reemployed the retiree.

474 (4) (a) If the office receives notice of the election of a reemployed retiree under  
475 Subsection (3)(a), the office shall immediately cancel the retiree's retirement allowance.

476 (b) (i) If the retiree under Subsection (4)(a) is eligible for retirement coverage in the  
477 reemployed position, the office shall reinstate the retiree to active member status on the first  
478 day of the month following the date of the employee's election.

479 (ii) Except as provided under Subsection (4)(c), if the retiree is not otherwise eligible  
480 for retirement coverage in the reemployed position, the participating employer that reemploys  
481 the retiree shall contribute the amortization rate to the office on behalf of the retiree.

482 (c) A participating employer that reemploys a retiree in accordance with Subsection  
483 [49-11-1205](#)(1) is not required to contribute the amortization rate to the office.

484 (5) (a) For a retiree under Subsection (4)(b) who retires within two years from the date  
485 of reemployment, the office:

486 (i) may not recalculate a retirement benefit for the retiree; and

487 (ii) shall resume the allowance that was being paid to the retiree at the time of the  
488 cancellation.

489 (b) Subject to Subsection (1), for a retiree who is reinstated to active membership  
490 under Subsection (4)(b) and retires two or more years after the date of reinstatement to active  
491 membership, the office shall:

492 (i) resume the allowance that was being paid at the time of cancellation; and



493 (ii) calculate an additional allowance for the retiree based on the formula in effect at  
494 the date of the subsequent retirement for all service credit accrued between the first and  
495 subsequent retirement dates.

496 Section 8. Section **49-11-1205** is enacted to read:

497 **49-11-1205. Postretirement reemployment restriction exceptions.**

498 (1) (a) The office may not cancel the retirement allowance of a retiree who is  
499 reemployed with a participating employer within one year of the retiree's retirement date if:

500 (i) the retiree is not reemployed by a participating employer for a period of at least 60  
501 days from the retiree's retirement date;

502 (ii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree  
503 does not receive any employer paid benefits, including:

504 (A) retirement service credit or retirement-related contributions;

505 (B) medical benefits;

506 (C) dental benefits;

507 (D) other insurance benefits except for workers' compensation as provided under Title  
508 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease  
509 Act, and withholdings required by federal or state law for social security, Medicare, and  
510 unemployment insurance; or

511 (E) paid time off, including sick, annual, or other type of leave; and

512 (iii) the retiree does not earn in any calendar year of reemployment an amount in excess  
513 of the lesser of \$15,000 or one-half of the retiree's final average salary upon which the retiree's  
514 retirement allowance is based.

515 (b) Beginning January 1, 2013, the board shall adjust the amounts under Subsection  
516 (1)(a)(iii) by the annual change in the Consumer Price Index during the previous calendar year  
517 as measured by a United States Bureau of Labor Statistics Consumer Price Index average as  
518 determined by the board.

519 (2) A retiree shall be considered as having completed the one-year separation from  
520 employment with a participating employer required under Section [49-11-1204](#), if the retiree:

521 (a) before retiring:

522 (i) was employed with a participating employer as a public safety service employee as  
523 defined in Section [49-14-102](#), [49-15-102](#), or [49-23-102](#);

524 (ii) and during the employment under Subsection (2)(a)(i), suffered a physical injury  
525 resulting from external force or violence while performing the duties of the employment, and  
526 for which injury the retiree would have been approved for total disability in accordance with  
527 the provisions under Chapter 21, Public Employees' Long-Term Disability Act, if years of  
528 service are not considered;

529 (iii) had less than 30 years of service credit but had sufficient service credit to retire,  
530 with an unreduced allowance making the public safety service employee ineligible for  
531 long-term disability payments under Chapter 21, Public Employees' Long-Term Disability Act,  
532 or a substantially similar long-term disability program; and

533 (iv) does not receive any long-term disability benefits from any participating employer;  
534 and

535 (b) is reemployed by a different participating employer.

536 (3) (a) The office may not cancel the retirement allowance of a retiree who is employed  
537 as an affiliated emergency services worker within one year of the retiree's retirement date if the  
538 affiliated emergency services worker does not receive any compensation, except for:

539 (i) a nominal fee, stipend, discount, tax credit, voucher, or other fixed sum of money or  
540 cash equivalent payment not tied to productivity and paid periodically for services;

541 (ii) a length-of-service award;

542 (iii) insurance policy premiums paid by the participating employer in the event of death  
543 of an affiliated emergency services worker or a line-of-duty accidental death or disability; or

544 (iv) reimbursement of expenses incurred in the performance of duties.

545 (b) For purposes of Subsections (3)(a)(i) and (ii), the total amount of any discounts, tax  
546 credits, vouchers, and payments to an affiliated emergency services worker may not exceed  
547 \$500 per month.

548 (c) Beginning January 1, 2016, the board shall adjust the amount under Subsection  
549 (3)(b) by the annual change in the Consumer Price Index during the previous calendar year as  
550 measured by a United States Bureau of Labor Statistics Consumer Price Index average as  
551 determined by the board.

552 (4) (a) If a retiree is reemployed under the provisions of Subsection (1) or (3), the  
553 termination date of the reemployment, as confirmed in writing by the participating employer, is  
554 considered the retiree's retirement date for the purpose of calculating the separation

555 requirement under Section 49-11-1204.

556 (b) The office shall cancel the retirement allowance of a retiree for the remainder of the  
557 calendar year if the reemployment with a participating employer exceeds the limitation under  
558 Subsection (1)(a)(iii) or (3)(b).

559 Section 9. Section 49-11-1206 is enacted to read:

560 **49-11-1206. Notice of postretirement reemployment.**

561 (1) A participating employer shall immediately notify the office:

562 (a) if the participating employer reemploys a retiree;

563 (b) whether the reemployment is subject to Section 49-11-1204 or Subsection  
564 49-11-1205(1), (2), or (3); and

565 (c) of any election by the retiree under Section 49-11-1204.

566 (2) A participating employer shall certify to the office whether the position of an  
567 elected official is or is not full time.

568 (3) A retiree subject to this part shall report to the office the status of the reemployment  
569 under Section 49-11-1204 or 49-11-1205.

570 Section 10. Section 49-11-1207 is enacted to read:

571 **49-11-1207. Postretirement reemployment -- Violations -- Penalties.**

572 (1) (a) If the office receives notice or learns of the reemployment of a retiree in  
573 violation of Section 49-11-1204 or 49-11-1205, the office shall:

574 (i) immediately cancel the retiree's retirement allowance;

575 (ii) keep the retiree's retirement allowance cancelled for the remainder of the calendar  
576 year if the reemployment with a participating employer exceeded the limitation under  
577 Subsection 49-11-1205(1)(a)(iii) or (3)(b); and

578 (iii) recover any overpayment resulting from the violation in accordance with the  
579 provisions of Section 49-11-607 before the allowance may be reinstated.

580 (b) Reinstatement of an allowance following cancellation for a violation under this  
581 section is subject to the procedures and provisions under Section 49-11-1204.

582 (2) If a retiree or participating employer failed to report reemployment in violation of  
583 Section 49-11-1206, the retiree, participating employer, or both, who are found to be  
584 responsible for the failure to report, are liable to the office for the amount of any overpayment  
585 resulting from the violation.

586 (3) A participating employer is liable to the office for a payment or failure to make a  
587 payment in violation of this part.

588 (4) If a participating employer fails to notify the office in accordance with Section  
589 49-11-1206, the participating employer is immediately subject to a compliance audit by the  
590 office.

591 Section 11. Section **49-11-1208** is enacted to read:

592 **49-11-1208. Rulemaking.**

593 The board may make rules to implement this part.

594 Section 12. Section **49-12-401** is amended to read:

595 **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

596 (1) A member is qualified to receive an allowance from this system when:

597 (a) except as provided under Subsection (3), the member ceases actual work for every  
598 participating employer that employs the member before the member's retirement date and  
599 provides evidence of the termination;

600 (b) the member has submitted to the office a retirement application form that states the  
601 member's proposed retirement date; and

602 (c) one of the following conditions is met as of the member's retirement date:

603 (i) the member has accrued at least four years of service credit and has attained an age  
604 of 65 years;

605 (ii) the member has accrued at least 10 years of service credit and has attained an age  
606 of 62 years;

607 (iii) the member has accrued at least 20 years of service credit and has attained an age  
608 of 60 years; or

609 (iv) the member has accrued at least 30 years of service credit.

610 (2) (a) The member's retirement date:

611 (i) shall be the 1st or the 16th day of the month, as selected by the member;

612 (ii) shall be on or after the date of termination; and

613 (iii) may not be more than 90 days before or after the date the application is received by  
614 the office.

615 (b) Except as provided under Subsection (3), a member may not be employed by a  
616 participating employer in the system established by this chapter on the retirement date selected

617 under Subsection (2)(a)(i).

618 (3) (a) A member who is employed by a participating employer and who is also an  
619 elected official is not required to cease service as an elected official to be qualified to receive  
620 an allowance under Subsection (1), unless the member is retiring from service as an elected  
621 official.

622 (b) A member who is employed by a participating employer and who is also a part-time  
623 appointed board member is not required to cease service as a part-time appointed board  
624 member to be qualified to receive an allowance under Subsection (1).

625 (c) A member who is employed by a participating employer, who is also an affiliated  
626 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for  
627 a different agency, is not required to cease service as an affiliated emergency services worker to  
628 be qualified to receive an allowance under Subsection (1).

629 Section 13. Section **49-12-701** is amended to read:

630 **49-12-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**  
631 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**  
632 **reemployment.**

633 (1) Any member of this system may retire and receive the allowance allowed under  
634 Subsection (2) if the member meets the following requirements as of the member's retirement  
635 date:

636 (a) the member is eligible for retirement under Section **49-12-401**, or has 25 years of  
637 service credit;

638 (b) the member elects to forfeit any stipend for retirement offered by the participating  
639 employer; and

640 (c) the member elects to retire from this system by applying for retirement by the date  
641 established under Subsection (3)(a) or (3)(b).

642 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's  
643 final average salary for all years of service credit.

644 (b) An actuarial reduction may not be applied to the allowance granted under this  
645 section.

646 (3) In order to receive the allowance allowed by this section, a member shall submit an  
647 application to the office as follows:

648 (a) (i) For state and school employees under Level A, the application shall be filed by  
649 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th  
650 day of July, August, or September, 1987.

651 (ii) If a Level A member elects to retire, the executive director or participating  
652 employer may request the member to delay the retirement date until a later date, but no later  
653 than June 30, 1988.

654 (iii) If the member agrees to delay the retirement date, the retirement date shall be  
655 delayed, but service credit may not be accrued after the member's original retirement date  
656 elected by the member, and compensation earned after the member's original retirement date  
657 may not be used in the calculation of the final average salary for determining the retirement  
658 allowance.

659 (b) (i) For political subdivision employees under Level B, the application shall be filed  
660 by September 30, 1987.

661 (ii) The retirement date shall then be set by the member on the 1st or 16th day of July,  
662 August, September, October, November, or December, 1987.

663 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal  
664 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the  
665 retirement contribution rate increase established by the consulting actuary and approved by the  
666 board.

667 (b) The cost of providing the allowance under this section shall be funded beginning  
668 July 1, 1988, by means of an increase in the retirement contribution rate established by the  
669 consulting actuary and approved by the board.

670 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

671 (i) for state employees, by an appropriation from the account established by the  
672 Division of Finance under Subsection (4)(d), which is funded by savings derived from this  
673 early retirement incentive and a work force reduction;

674 (ii) for school employees, by direct contributions from the employing unit, which may  
675 not be funded through an increase in the retirement contribution amount established in Title  
676 53A, Chapter 17a, Minimum School Program Act; and

677 (iii) for political subdivisions under Level B, by direct contributions by the  
678 participating employer.

679 (d) (i) Each year, any excess savings derived from this early retirement incentive which  
680 are above the costs of funding the increase and the costs of paying insurance, sick leave,  
681 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported  
682 to the Legislature and shall be appropriated as provided by law.

683 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an  
684 account into which all savings derived from this early retirement incentive shall be deposited as  
685 the savings are realized.

686 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the  
687 amount of savings derived from this early retirement incentive.

688 (iv) The State Office of Education and the participating employer may not spend the  
689 savings until appropriated by the Legislature as provided by law.

690 (5) A member who retires under this section is subject to [~~Sections~~] Section 49-11-504  
691 and [~~49-11-505~~] Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

692 (6) The board may adopt rules to administer this section.

693 (7) The Legislative Auditor General shall perform an audit to ensure compliance with  
694 this section.

695 Section 14. Section ~~49-13-401~~ is amended to read:

696 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

697 (1) A member is qualified to receive an allowance from this system when:

698 (a) except as provided under Subsection (3), the member ceases actual work for every  
699 participating employer that employs the member before the member's retirement date and  
700 provides evidence of the termination;

701 (b) the member has submitted to the office a retirement application form that states the  
702 member's proposed retirement date; and

703 (c) one of the following conditions is met as of the member's retirement date:

704 (i) the member has accrued at least four years of service credit and has attained an age  
705 of 65 years;

706 (ii) the member has accrued at least 10 years of service credit and has attained an age  
707 of 62 years;

708 (iii) the member has accrued at least 20 years of service credit and has attained an age  
709 of 60 years;

710 (iv) the member has accrued at least 30 years of service credit; or  
711 (v) the member has accrued at least 25 years of service credit, in which case the  
712 member shall be subject to the reduction under Subsection [49-13-402\(2\)\(b\)](#).  
713 (2) (a) The member's retirement date:  
714 (i) shall be the 1st or the 16th day of the month, as selected by the member;  
715 (ii) shall be on or after the date of termination; and  
716 (iii) may not be more than 90 days before or after the date the application is received by  
717 the office.  
718 (b) Except as provided under Subsection (3), a member may not be employed by a  
719 participating employer in the system established by this chapter on the retirement date selected  
720 under Subsection (2)(a)(i).  
721 (3) (a) A member who is employed by a participating employer and who is also an  
722 elected official is not required to cease service as an elected official to be qualified to receive  
723 an allowance under Subsection (1), unless the member is retiring from service as an elected  
724 official.  
725 (b) A member who is employed by a participating employer and who is also a part-time  
726 appointed board member is not required to cease service as a part-time appointed board  
727 member to be qualified to receive an allowance under Subsection (1).  
728 (c) A member who is employed by a participating employer, who is also an affiliated  
729 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] [Section 49-11-1202](#) for  
730 a different agency, is not required to cease service as an affiliated emergency services worker to  
731 be qualified to receive an allowance under Subsection (1).  
732 Section 15. Section **49-13-701** is amended to read:  
733 **49-13-701. Early retirement incentive -- Eligibility -- Calculation of benefit --**  
734 **Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on**  
735 **reemployment.**  
736 (1) Any member of this system may retire and receive the allowance allowed under  
737 Subsection (2) if the member meets the following requirements as of the member's retirement:  
738 (a) the member is eligible for retirement under Section [49-13-401](#), or has 25 years of  
739 service credit;  
740 (b) the member elects to forfeit any stipend for retirement offered by the participating



741 employer; and

742 (c) the member elects to retire from this system by applying for retirement by the date  
743 established under Subsection (3)(a) or (3)(b).

744 (2) (a) A member who retires under Subsection (1) shall receive 2% of that member's  
745 final average salary for all years of service credit.

746 (b) No actuarial reduction may be applied to the allowance granted under this section.

747 (3) In order to receive the allowance allowed by this section, a member shall submit an  
748 application to the office as follows:

749 (a) (i) For state and school employees under Level A, the application shall be filed by  
750 May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th  
751 day of July, August, or September, 1987.

752 (ii) If a Level A member elects to retire, the executive director or participating  
753 employer may request the member to delay the retirement date until a later date, but no later  
754 than June 30, 1988.

755 (iii) If the member agrees to delay the retirement date, the retirement date shall be  
756 delayed, but service credit may not be accrued after the member's original retirement date  
757 elected by the member, and compensation earned after the member's original retirement date  
758 may not be used in the calculation of the final average salary for determining the retirement  
759 allowance.

760 (b) (i) For political subdivision employees under Level B, the application shall be filed  
761 by September 30, 1987.

762 (ii) The member's retirement date shall then be set by the member on the 1st or 16th  
763 day of July, August, September, October, November, or December, 1987.

764 (4) (a) The cost of providing the allowance under this section shall be funded in fiscal  
765 year 1987-88 by a supplemental appropriation in the 1988 General Session based on the  
766 retirement contribution rate increase established by the consulting actuary and approved by the  
767 board.

768 (b) The cost of providing the allowance under this section shall be funded beginning  
769 July 1, 1988, by means of an increase in the retirement contribution rate established by the  
770 consulting actuary and approved by the board.

771 (c) The rate increase under Subsections (4)(a) and (b) shall be funded:

772 (i) for state employees, by an appropriation from the account established by the  
773 Division of Finance under Subsection (4)(d), which is funded by savings derived from this  
774 early retirement incentive and a work force reduction;

775 (ii) for school employees, by direct contributions from the employing unit, which may  
776 not be funded through an increase in the retirement contribution amount established in Title  
777 53A, Chapter 17a, Minimum School Program Act; and

778 (iii) for political subdivisions under Level B, by direct contributions by the  
779 participating employer.

780 (d) (i) Each year, any excess savings derived from this early retirement incentive which  
781 are above the costs of funding the increase and the costs of paying insurance, sick leave,  
782 compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported  
783 to the Legislature and shall be appropriated as provided by law.

784 (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an  
785 account into which all savings derived from this early retirement incentive shall be deposited as  
786 the savings are realized.

787 (iii) In the case of Subsection (4)(c)(ii), the State Office of Education shall certify the  
788 amount of savings derived from this early retirement incentive.

789 (iv) The State Office of Education and the participating employer may not spend the  
790 savings until appropriated by the Legislature as provided by law.

791 (5) A member who retires under this section is subject to ~~[Sections]~~ Section 49-11-504  
792 and [49-11-505] Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.

793 (6) The board may make rules to administer this section.

794 (7) The Legislative Auditor General shall perform an audit to ensure compliance with  
795 this section.

796 Section 16. Section **49-14-401** is amended to read:

797 **49-14-401. Eligibility for service retirement -- Date of retirement --**

798 **Qualifications.**

799 (1) A member is qualified to receive an allowance from this system when:

800 (a) except as provided under Subsection (3), the member ceases actual work for every  
801 participating employer that employs the member before the member's retirement date and  
802 provides evidence of the termination;

803 (b) the member has submitted to the office a retirement application form that states the  
804 member's proposed retirement date; and

805 (c) one of the following conditions is met as of the member's retirement date:

806 (i) the member has accrued at least 20 years of service credit;

807 (ii) the member has accrued at least 10 years of service credit and has attained an age  
808 of 60 years; or

809 (iii) the member has accrued at least four years of service credit and has attained an age  
810 of 65 years.

811 (2) (a) The member's retirement date:

812 (i) shall be the 1st or the 16th day of the month, as selected by the member;

813 (ii) shall be on or after the date of termination; and

814 (iii) may not be more than 90 days before or after the date the application is received by  
815 the office.

816 (b) Except as provided under Subsection (3), a member may not be employed by a  
817 participating employer in the system established by this chapter on the retirement date selected  
818 under Subsection (2)(a)(i).

819 (3) (a) A member who is employed by a participating employer and who is also an  
820 elected official is not required to cease service as an elected official to be qualified to receive  
821 an allowance under Subsection (1), unless the member is retiring from service as an elected  
822 official.

823 (b) A member who is employed by a participating employer and who is also a part-time  
824 appointed board member is not required to cease service as a part-time appointed board  
825 member to be qualified to receive an allowance under Subsection (1).

826 (c) A member who is employed by a participating employer, who is also an affiliated  
827 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for  
828 a different agency, is not required to cease service as an affiliated emergency services worker to  
829 be qualified to receive an allowance under Subsection (1).

830 Section 17. Section **49-15-401** is amended to read:

831 **49-15-401. Eligibility for service retirement -- Date of retirement --**  
832 **Qualifications.**

833 (1) A member is qualified to receive an allowance from this system when:

834 (a) except as provided under Subsection (3), the member ceases actual work for every  
835 participating employer that employs the member before the member's retirement date and  
836 provides evidence of the termination;

837 (b) the member has submitted to the office a retirement application form that states the  
838 member's proposed retirement date; and

839 (c) one of the following conditions is met as of the member's retirement date:

840 (i) the member has accrued at least 20 years of service credit;

841 (ii) the member has accrued at least 10 years of service credit and has attained an age  
842 of 60 years; or

843 (iii) the member has accrued at least four years of service and has attained an age of 65  
844 years.

845 (2) (a) The member's retirement date:

846 (i) shall be the 1st or the 16th day of the month, as selected by the member;

847 (ii) shall be on or after the date of termination; and

848 (iii) may not be more than 90 days before or after the date the application is received by  
849 the office.

850 (b) Except as provided under Subsection (3), a member may not be employed by a  
851 participating employer in the system established by this chapter on the retirement date selected  
852 under Subsection (2)(a)(i).

853 (3) (a) A member who is employed by a participating employer and who is also an  
854 elected official is not required to cease service as an elected official to be qualified to receive  
855 an allowance under Subsection (1), unless the member is retiring from service as an elected  
856 official.

857 (b) A member who is employed by a participating employer and who is also a part-time  
858 appointed board member is not required to cease service as a part-time appointed board  
859 member to be qualified to receive an allowance under Subsection (1).

860 (c) A member who is employed by a participating employer, who is also an affiliated  
861 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] [Section 49-11-1202](#) for  
862 a different agency, is not required to cease service as an affiliated emergency services worker to  
863 be qualified to receive an allowance under Subsection (1).

864 Section 18. Section **49-16-203** is amended to read:

865 **49-16-203. Exemption of certain employees from coverage -- Exception.**

866 (1) A firefighter service employee serving as the chief of any fire department or district  
867 is excluded from coverage under this system if that firefighter service employee files a formal  
868 written request seeking exemption.

869 (2) The chief of any fire department or district who retires from that position shall  
870 comply with the provisions of [Sections] Section 49-11-504 and [~~49-11-505~~] Chapter 11, Part  
871 12, Postretirement Reemployment Restrictions Act, upon reemployment by the participating  
872 employer.

873 Section 19. Section **49-16-401** is amended to read:

874 **49-16-401. Eligibility for service retirement -- Date of retirement --**875 **Qualifications.**

876 (1) A member is qualified to receive an allowance from this system when:

877 (a) except as provided under Subsection (3), the member ceases actual work for every  
878 participating employer that employs the member before the member's retirement date and  
879 provides evidence of the termination;

880 (b) the member has submitted to the office a retirement application form that states the  
881 member's proposed retirement date; and

882 (c) one of the following conditions is met as of the member's retirement date:

883 (i) the member has accrued at least 20 years of service credit;

884 (ii) the member has accrued at least 10 years of service credit and has attained an age  
885 of 60 years; or

886 (iii) the member has accrued at least four years of service credit and has attained an age  
887 of 65 years.

888 (2) (a) The member's retirement date:

889 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service  
890 employee;

891 (ii) shall be on or after the date of termination; and

892 (iii) may not be more than 90 days before or after the date the application is received by  
893 the office.

894 (b) Except as provided under Subsection (3), a member may not be employed by a  
895 participating employer in the system established by this chapter on the retirement date selected

896 under Subsection (2)(a)(i).

897 (3) (a) A member who is employed by a participating employer and who is also an  
898 elected official is not required to cease service as an elected official to be qualified to receive  
899 an allowance under Subsection (1), unless the member is retiring from service as an elected  
900 official.

901 (b) A member who is employed by a participating employer and who is also a part-time  
902 appointed board member is not required to cease service as a part-time appointed board  
903 member to be qualified to receive an allowance under Subsection (1).

904 (c) A member who is employed by a participating employer, who is also an affiliated  
905 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for  
906 a different agency, is not required to cease service as an affiliated emergency services worker to  
907 be qualified to receive an allowance under Subsection (1).

908 Section 20. Section **49-22-304** is amended to read:

909 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**

910 **Qualifications.**

911 (1) A member is qualified to receive an allowance from this system when:

912 (a) except as provided under Subsection (3), the member ceases actual work for every  
913 participating employer that employs the member before the member's retirement date and  
914 provides evidence of the termination;

915 (b) the member has submitted to the office a retirement application form that states the  
916 member's proposed retirement date; and

917 (c) one of the following conditions is met as of the member's retirement date:

918 (i) the member has accrued at least four years of service credit and has attained an age  
919 of 65 years;

920 (ii) the member has accrued at least 10 years of service credit and has attained an age  
921 of 62 years;

922 (iii) the member has accrued at least 20 years of service credit and has attained an age  
923 of 60 years; or

924 (iv) the member has accrued at least 35 years of service credit.

925 (2) (a) The member's retirement date:

926 (i) shall be the 1st or the 16th day of the month, as selected by the member;

927 (ii) shall be on or after the date of termination; and  
928 (iii) may not be more than 90 days before or after the date the application is received by  
929 the office.

930 (b) Except as provided under Subsection (3), a member may not be employed by a  
931 participating employer in the system established by this chapter on the retirement date selected  
932 under Subsection (2)(a)(i).

933 (3) (a) A member who is employed by a participating employer and who is also an  
934 elected official is not required to cease service as an elected official to be qualified to receive  
935 an allowance under Subsection (1), unless the member is retiring from service as an elected  
936 official.

937 (b) A member who is employed by a participating employer and who is also a part-time  
938 appointed board member is not required to cease service as a part-time appointed board  
939 member to be qualified to receive an allowance under Subsection (1).

940 (c) A member who is employed by a participating employer, who is also an affiliated  
941 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] [Section 49-11-1202](#) for  
942 a different agency, is not required to cease service as an affiliated emergency services worker to  
943 be qualified to receive an allowance under Subsection (1).

944 Section 21. Section **49-23-303** is amended to read:

945 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**  
946 **Qualifications.**

947 (1) A member is qualified to receive an allowance from this system when:

948 (a) except as provided under Subsection (3), the member ceases actual work for every  
949 participating employer that employs the member before the member's retirement date and  
950 provides evidence of the termination;

951 (b) the member has submitted to the office a retirement application form that states the  
952 member's proposed retirement date; and

953 (c) one of the following conditions is met as of the member's retirement date:

954 (i) the member has accrued at least four years of service credit and has attained an age  
955 of 65 years;

956 (ii) the member has accrued at least 10 years of service credit and has attained an age  
957 of 62 years;

958 (iii) the member has accrued at least 20 years of service credit and has attained an age  
959 of 60 years; or

960 (iv) the member has accrued at least 25 years of service credit.

961 (2) (a) The member's retirement date:

962 (i) shall be the 1st or the 16th day of the month, as selected by the member;

963 (ii) shall be on or after the date of termination; and

964 (iii) may not be more than 90 days before or after the date the application is received by  
965 the office.

966 (b) Except as provided under Subsection (3), a member may not be employed by a  
967 participating employer in the system established by this chapter on the retirement date selected  
968 under Subsection (2)(a)(i).

969 (3) (a) A member who is employed by a participating employer and who is also an  
970 elected official is not required to cease service as an elected official to be qualified to receive  
971 an allowance under Subsection (1), unless the member is retiring from service as an elected  
972 official.

973 (b) A member who is employed by a participating employer and who is also a part-time  
974 appointed board member is not required to cease service as a part-time appointed board  
975 member to be qualified to receive an allowance under Subsection (1).

976 (c) A member who is employed by a participating employer, who is also an affiliated  
977 emergency services worker as defined in [~~Subsection 49-11-505(1)(d)~~] Section 49-11-1202 for  
978 a different agency, is not required to cease service as an affiliated emergency services worker to  
979 be qualified to receive an allowance under Subsection (1).

980 Section 22. Section **67-19-43** is amended to read:

981 **67-19-43. State employee matching supplemental defined contribution benefit.**

982 (1) As used in this section:

983 (a) "Qualifying account" means:

984 (i) a defined contribution plan qualified under Section 401(k) of the Internal Revenue  
985 Code, which is sponsored by the Utah State Retirement Board; or

986 (ii) a deemed Individual Retirement Account authorized under the Internal Revenue  
987 Code, which is sponsored by the Utah State Retirement Board; or

988 (iii) a similar savings plan or account authorized under the Internal Revenue Code,



989 which is sponsored by the Utah State Retirement Board.

990 (b) "Qualifying employee" means an employee who is:

991 (i) in a position that is:

992 (A) receiving retirement benefits under Title 49, Utah State Retirement and Insurance

993 Benefit Act; and

994 (B) accruing paid leave benefits that can be used in the current and future calendar

995 years; and

996 (ii) not an employee who is reemployed as that term is:

997 (A) defined in Section [~~49-11-102~~] [49-11-1202](#); or

998 (B) used in Section [49-11-504](#).

999 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,  
1000 2014, an employer shall make a biweekly matching contribution to every qualifying employee's  
1001 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject  
1002 to federal requirements and limitations, which is sponsored by the Utah State Retirement  
1003 Board.

1004 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying  
1005 employee shall be eligible to receive the same dollar amount for the contribution under  
1006 Subsection (2).

1007 (b) A qualifying employee:

1008 (i) shall receive the contribution amount determined under Subsection (3)(c) if the  
1009 qualifying employee makes a voluntary personal contribution to one or more qualifying  
1010 accounts in an amount equal to or greater than the employer's contribution amount determined  
1011 in Subsection (3)(c);

1012 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's  
1013 personal contribution amount if the employee makes a voluntary personal contribution to one  
1014 or more qualifying accounts in an amount less than the employer's contribution amount  
1015 determined in Subsection (3)(c); or

1016 (iii) may not receive a contribution under Subsection (2) if the qualifying employee  
1017 does not make a voluntary personal contribution to a qualifying account.

1018 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall  
1019 annually determine the contribution amount that an employer shall provide to each qualifying

1020 employee under Subsection (2).

1021 (ii) The department shall make recommendations annually to the Legislature on the  
1022 contribution amount required under Subsection (2), in consultation with the Governor's Office  
1023 of Management and Budget and the Division of Finance.

1024 (iii) The biweekly matching contribution amount required under Subsection (2) may  
1025 not exceed \$26 for each qualifying employee.

1026 (4) A qualifying employee is eligible to receive the biweekly contribution under this  
1027 section for any pay period in which the employee is in a paid status or other status protected by  
1028 federal or state law.

1029 (5) The employer and employee contributions made and related earnings under this  
1030 section vest immediately upon deposit and can be withdrawn by the employee at any time,  
1031 subject to Internal Revenue Code regulations on the withdrawals.

1032 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1033 executive director shall make rules establishing procedures to implement the provisions of this  
1034 section.

1035 Section 23. **Repealer.**

1036 This bill repeals:

1037 Section **49-11-505, Reemployment of a retiree -- Restrictions.**

1037a **§→ Section 24. Coordinating H.B. 51 with S.B. 19 -- Technical renumbering and**  
1037b **substantive amendments.**

1037c **If this H.B. 51 and S.B. 19, Phased Retirement, both pass and become law, it is the**  
1037d **intent of the Legislature that the Office of Legislative Research and General Counsel prepare**  
1037e **the Utah Code database for publication by:**

1037f **(1) renumbering Part 12, Phased Retirement, enacted by S.B. 19 to Part 13, Phased**  
1037g **Retirement, and renumber and change all references from Part 12 to Part 13 accordingly;**

1037h **(2) changing the reference to "Section 49-11-505" in Section 49-11-1202 enacted in S.B.**  
1037i **19, which will be technically renumbered to Section 49-11-1302, to "Section 49-11-1204";**

1037j **(3) changing the reference to "Subsection 49-11-505(3)(a)" in Section 49-11-1206**  
1037k **enacted in S.B. 19, which will be technically renumbered to Section 49-11-1306, to "Subsection**  
1037l **49-11-1204(2)"; and**

1037m **(4) modifying Subsection 49-11-1202(4)(b) enacted by H.B. 51 to read:**

1037n **"(b) does not include a person:**

1037o **(i)(A) who was reemployed by a participating employer before July 1, 2010; and**

1037p **(B) whose participating employer that reemployed the person under ☻**

1037q **⊕ Subsection (4)(b)(i)(A) was dissolved consolidated, merged, or structurally changed in**  
1037r **accordance with Section 49-11-621 on or after July 1, 2010; or**  
1037s **(ii) does not include a person who is working under a phased retirement agreement in**  
1037t **accordance with Title 49, Chapter 11, Part 13, Phased Retirement."** ←Ŝ

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**