

PUBLIC EMPLOYEES LONG-TERM DISABILITY ACT

AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Susan Duckworth

Senate Sponsor: Karen Mayne

LONG TITLE

Committee Note:

The Retirement and Independent Entities Interim Committee recommended this bill.

General Description:

This bill modifies the Public Employees' Long-Term Disability Act by amending provisions relating to long-term disability benefits.

Highlighted Provisions:

This bill:

- ▶ modifies the circumstances when a monthly long-term disability benefit shall be reduced or reimbursed;
- ▶ requires an eligible employee that is under a total disability to inform the Public Employees' Insurance Program of certain information;
- ▶ provides penalties if an eligible employee knowingly misrepresents or fails to disclose certain information; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:



28 AMENDS:

29 **49-21-402**, as last amended by Laws of Utah 2013, Chapter 316

30 ENACTS:

31 **49-21-409**, Utah Code Annotated 1953

32

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

34 Section 1. Section **49-21-402** is amended to read:

35 **49-21-402. Reduction or reimbursement of benefit -- Circumstances --**

36 **Application for other benefits required.**

37 (1) A monthly disability benefit may be terminated unless:

38 (a) the eligible employee is under the ongoing care and treatment of a physician other
39 than the eligible employee; and

40 (b) the eligible employee provides the information and documentation requested by the
41 office.

42 (2) The monthly disability benefit shall be reduced or reimbursed by any amount
43 received by, or payable to, the eligible employee from the following sources for the same
44 period of time during which the eligible employee is entitled to receive a monthly disability
45 benefit:

46 (a) Social Security disability benefits, including all benefits received by the eligible
47 employee, the eligible employee's spouse, and the eligible employee's children as determined
48 by the Social Security Administration;

49 (b) workers' compensation indemnity benefits;

50 (c) any money received by judgment, legal action, or settlement from a third party
51 liable to the employee for the disability;

52 (d) unemployment compensation benefits;

53 (e) automobile no-fault, medical payments, or similar insurance payments;

54 (f) any money received by a judgment, settlement, or other payment as a result of a
55 claim against an employer; ~~and~~

56 (g) any payments made for sick leave, annual leave, or similar payments~~[-];~~ and

57 (h) compensation received for employment, including self-employment, except for
58 eligible amounts from approved rehabilitative employment in accordance with Section

59 [49-21-406.](#)

60 (3) The monthly disability benefit shall be reduced by any amount in excess of
61 one-third of the eligible employee's regular monthly salary received by, or payable to, the
62 eligible employee from the following sources for the same period of time during which the
63 eligible employee is entitled to receive a monthly disability benefit:

64 (a) any retirement payment earned through or provided by public or private
65 employment; and

66 (b) any disability benefit resulting from the disability for which benefits are being
67 received under this chapter.

68 (4) After the date of disability, cost-of-living increases to any of the benefits listed in
69 Subsection (2) or (3) may not be considered in calculating a reduction to the monthly disability
70 benefit.

71 (5) Any amounts payable to the eligible employee from one or more of the sources
72 under Subsection (2) are considered as amounts received whether or not the amounts were
73 actually received by the eligible employee.

74 (6) (a) An eligible employee shall first apply for all disability benefits from
75 governmental entities under Subsection (2) to which the eligible employee is or may be
76 entitled, and provide to the office evidence of the applications.

77 (b) If the eligible employee fails to make application under this Subsection (6), the
78 monthly disability benefit shall be suspended.

79 (7) During a period of total disability, an eligible employee has an affirmative duty to
80 keep the program informed regarding:

81 (a) the award or receipt of an amount from a source that could result in the monthly
82 disability benefit being reduced or reimbursed under this section within 10 days of the award or
83 receipt of the amount; and

84 (b) any employment, including self-employment, of the eligible employee and the
85 compensation for that employment within 10 days of beginning the employment or a material
86 change in the compensation from that employment.

87 (8) The program shall use commercially reasonable means to collect any amounts of
88 overpayments and reimbursements.

89 Section 2. Section **49-21-409** is enacted to read:

90 **49-21-409. Violations -- Penalties.**

91 In addition to other remedies provided in this title, if an eligible employee knowingly
92 makes a material misrepresentation to the program or knowingly fails to disclose the award or
93 receipt of amounts to the program as required under Section [49-21-402](#), the program may:

- 94 (1) suspend the monthly disability benefits to the eligible employee;
- 95 (2) terminate all monthly disability benefits to the eligible employee;
- 96 (3) terminate or cancel any other benefits provided under this title during a period of
97 total disability; or
- 98 (4) require the eligible employee to repay the amount of any overpayment resulting
99 from the violation to the program.

100 **Section 3. Effective date.**

101 This bill takes effect on July 1, 2017.

Legislative Review Note
Office of Legislative Research and General Counsel