

**PHASED RETIREMENT AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel Hemmert**

House Sponsor: Jefferson Moss

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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 provisions relating to phased retirement.

**Highlighted Provisions:**

This bill:

- ▶ amends definitions;
- ▶ modifies the application procedures for a phased retirement agreement;
- ▶ modifies provisions regarding the beginning and termination periods for phased retirement employment; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**49-11-1301**, as enacted by Laws of Utah 2016, Chapter 280

**49-11-1303**, as enacted by Laws of Utah 2016, Chapter 280



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

Section 1. Section **49-11-1301** is amended to read:

**49-11-1301. Definitions.**

As used in this part:

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

(2) "Full-time" means a:

(a) regular full-time employee whose term of employment for a participating employer contemplates continued employment during a fiscal or calendar year and whose employment normally requires an average of 40 hours or more per week and who receives benefits normally provided by the participating employer;

(b) teacher whose term of employment for a participating employer contemplates continued employment during a school year and who teaches full time;

(c) firefighter service employee whose employment normally requires an average of 2,080 hours of regularly scheduled firefighter service per year; and

(d) public safety service employee whose employment normally requires an average of 2,080 hours of regularly scheduled public safety service per year.

(3) "Half-time" means a:

(a) regular employee whose term of employment for a participating employer contemplates continued employment during a fiscal or calendar year and whose employment normally requires an average of 20 hours per week and who receives benefits normally provided by the participating employer;

(b) teacher whose term of employment for a participating employer contemplates continued employment during a school year and who teaches half time;

(c) firefighter service employee whose employment normally requires an average of 1,040 hours of regularly scheduled firefighter service per year; and

(d) public safety service employee whose employment normally requires an average of 1,040 hours of regularly scheduled public safety service per year.

(4) "Phased retirement" means continuing employment on a half-time basis of a retiree

59 with the same participating employer [~~immediately after~~] following the retiree's retirement date  
60 while the retiree receives a reduced retirement allowance.

61 Section 2. Section **49-11-1303** is amended to read:

62 **49-11-1303. Phased retirement -- Eligibility -- Restrictions -- Amortization rate.**

63 (1) A retiree is eligible for employment with only one position for only one  
64 participating employer under phased retirement following the retiree's retirement date if:

65 (a) the retiree:

66 (i) is eligible to retire and retires in accordance with this title;

67 (ii) has been employed full time, for not less than four years immediately before the  
68 retiree's retirement date;

69 (iii) completes and submits all required retirement forms to the office; and

70 [~~(iv) completes and submits any phased retirement forms required by rules established~~  
71 ~~under Section 49-11-1308; and]~~

72 (iv) prior to the retiree's retirement date, completes and submits all required phased  
73 retirement forms to the office; and

74 (b) the retiree and the participating employer enter into an agreement described under  
75 Section 49-11-1304.

76 (2) A retiree shall begin phased retirement employment after the retiree's retirement  
77 date but no later than 120 days after the retiree's retirement date.

78 [~~(2)~~] (3) For the period of the phased retirement:

79 (a) the retiree receives 50% of the retiree's monthly allowance;

80 (b) the participating employer employs the retiree on a half-time basis;

81 (c) a participating employer that employs the retiree shall contribute to the office the  
82 amortization rate;

83 (d) the retiree or an alternate payee may not receive an annual cost-of-living adjustment  
84 to the retiree's or alternate payee's allowance;

85 (e) any death benefits payable to a surviving spouse or other beneficiary shall be paid  
86 based on 100% of the retiree's retirement allowance;

87 (f) the retiree may not receive any employer provided retirement benefits, service credit  
88 accruals, or any retirement related contributions from the participating employer; and

89 (g) except as specified under this section, a retiree working under phased retirement

90 shall be treated in the same manner as any other part-time employee working a similar position  
91 and number of hours with the participating employer, including:

- 92 (i) any non-retirement related benefits;
- 93 (ii) leave benefits;
- 94 (iii) medical benefits; and
- 95 (iv) other benefits.

96 (4) The office shall begin paying 100% of the retiree's retirement allowance on the first  
97 day of the month following the month in which the office receives written notification and any  
98 required supporting documentation that the retiree's phased retirement has been irrevocably  
99 terminated.

100 **Section 3. Effective date.**

101 If approved by two-thirds of all the members elected to each house, this bill takes effect  
102 upon approval by the governor, or the day following the constitutional time limit of Utah  
103 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,  
104 the date of veto override.

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