

SB0021S01 compared with SB0021

~~{deleted text}~~ shows text that was in SB0021 but was deleted in SB0021S01.

Inserted text shows text that was not in SB0021 but was inserted into SB0021S01.

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Senator Karen Mayne proposes the following substitute bill:

PUBLIC SAFETY AND FIREFIGHTER RETIREMENT DEATH BENEFIT AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Mayne

House Sponsor: _____

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 retirement death benefits for certain public safety service employees and firefighter service employees.

Highlighted Provisions:

This bill:

- ▶ amends the death benefits payable to a member of Division A or Division B in the Public Safety Contributory Retirement Act;

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- ▶ amends the death benefits payable to a member of Division B in the Public Safety Noncontributory Retirement Act;
- ▶ amends the death benefits payable to a member of the Firefighters' Retirement Act; 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:

49-14-501, as last amended by Laws of Utah 2016, Chapter 84

49-14-502, as last amended by Laws of Utah 2016, Chapter 84

49-15-502, as last amended by Laws of Utah 2016, Chapter 84

49-16-501, as last amended by Laws of Utah 2016, Chapter 84

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

Section 1. Section 49-14-501 is amended to read:

49-14-501. Death of active member in Division A -- Payment of benefits.

(1) If an active member of this system enrolled in Division A under Section 49-14-301 dies, benefits are payable as follows:

(a) If the death is classified by the office as a line-of-duty death, the surviving spouse shall receive:

(i) a lump sum equal to six months of the active member's final average salary; and

(ii) (A) an allowance equal to 30% of the deceased member's final average monthly salary; or

(B) if the member has accrued 20 or more years of public safety service credit, the death benefit payable to a surviving spouse under Section 49-14-504.

(b) If the death is not classified by the office as a line-of-duty death, benefits are payable as follows:

(i) If the member has accrued less than 10 years of public safety service credit, the

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beneficiary shall receive the sum of \$1,000 or a refund of the member's member contributions, whichever is greater.

(ii) If the member has accrued 10 or more years of public safety service credit but less than 20 years of public safety service credit at the time of death, the surviving spouse shall receive the sum of \$500, plus an allowance equal to 2% of the member's final average monthly salary for each year of service credit accrued by the member up to a maximum of 30% of the member's final average monthly salary.

(iii) If the member has accrued 20 or more years of public safety service credit:

(A) the member shall be considered to have retired with an allowance calculated under Section 49-14-402; and

(B) the surviving spouse shall receive the death benefit payable to a surviving spouse under Section 49-14-504.

(2) Except as provided under Subsection (1)(b)(i), benefits are not payable to minor children of members covered under Division A.

(3) If a benefit is not distributed under this section, and the member has designated a beneficiary, the member's member contributions shall be paid to the beneficiary.

(4) (a) A surviving spouse who requests a benefit under this section shall apply in writing to the office.

(b) The allowance shall begin on the first day of the month following the month in which the:

(i) member died, if the application is received by the office within 90 days of the member's death; or

(ii) application is received by the office, if the application is received by the office more than 90 days after the member's death.

Section 2. Section 49-14-502 is amended to read:

49-14-502. Death of active member in Division B -- Payment of benefits.

(1) If an active member of this system enrolled in Division B under Section 49-14-301 dies, benefits are payable as follows:

(a) If the death is classified by the office as a line-of-duty death, the surviving spouse shall receive:

(i) a lump sum equal to six months of the active member's final average salary; and

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(ii) (A) an allowance equal to 37.5% of the member's final average monthly salary~~[-]~~;

or

(B) if the member has accrued 20 or more years of public safety service credit, the greater of:

(I) an allowance equal to 37.5% of the member's final average monthly salary; or

(II) the death benefit payable to a surviving spouse under Section 49-14-504.

(b) If the death is not classified by the office as a line-of-duty death, benefits are payable as follows:

(i) If the member has accrued two or more years of public safety service credit at the time of death, the death is considered a line-of-duty death and the surviving spouse shall receive:

(A) a lump sum of \$1,500; and

(B) an allowance as provided under Subsection (1)(a)(ii).

(ii) If the member has accrued less than two years of public safety service credit at the time of death, the surviving spouse shall receive a refund of the member's member contributions, plus 50% of the member's most recent 12 months' compensation.

(c) (i) If the member has accrued two or more years of public safety service credit at the time of death, each of the member's unmarried children to age 18 or dependent unmarried children with a mental or physical disability shall receive a monthly allowance of \$50.

(ii) Payments shall be made to the surviving parent or to a duly appointed guardian, or as otherwise provided under Sections 49-11-609 and 49-11-610.

(2) If the member dies and there is no surviving spouse, any amounts that would have been the surviving spouse's benefit shall be prorated and paid to each of the member's unmarried children to age 18.

(3) If a benefit is not distributed under Subsection (1) or (2), and the member has designated a beneficiary, the member's member contributions shall be paid to the beneficiary.

(4) The combined annual payments made to the beneficiaries of any member under this section may not exceed 75% of the member's final average monthly salary.

(5) (a) A surviving spouse who requests a benefit under this section shall apply in writing to the office.

(b) The allowance shall begin on the first day of the month:

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(i) following the month in which the member died, if the application is received by the office within 90 days of the member's death; or

(ii) following the month in which the application is received by the office, if the application is received by the office more than 90 days after the member's death.

Section ~~41~~3. Section **49-15-502** is amended to read:

49-15-502. Death of active member in Division B -- Payment of benefits.

(1) If an active member of this system enrolled in Division B under Section 49-15-301 dies, benefits are payable as follows:

(a) If the death is classified by the office as a line-of-duty death, the surviving spouse shall receive:

(i) a lump sum equal to six months of the active member's final average salary; and

(ii) (A) an allowance equal to 37.5% of the member's final average monthly salary[-];

or

(B) if the member has accrued 20 or more years of public safety service credit, the greater of:

(I) an allowance equal to 37.5% of the member's final average monthly salary; or

(II) the death benefit payable to a surviving spouse under Section 49-15-504.

(b) If the death is not classified by the office as a line-of-duty death, and the member has accrued two or more years of public safety service credit at the time of death, the death is considered line-of-duty and the surviving spouse shall receive:

(i) a lump sum of \$1,500; and

(ii) an allowance as provided under Subsection (1)(a)(ii).

(c) If the death is not classified by the office as a line-of-duty death, and the member has accrued less than two years of public safety service credit at the time of death, the surviving spouse shall receive a refund of the member's member contributions, plus 50% of the member's most recent 12 months' compensation.

(d) (i) If the member has accrued two or more years of public safety service credit at the time of death, each of the member's unmarried children to age 18 or dependent unmarried children with a mental or physical disability shall receive an allowance of \$50.

(ii) Payments shall be made to the surviving parent or to a duly appointed guardian, or as otherwise provided under Section 49-11-609 or 49-11-610.

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(2) If the member dies and there is no surviving spouse, any amounts that would have been the surviving spouse's benefit shall be prorated and paid to each of the member's unmarried children to age 18.

(3) If a benefit is not distributed under Subsection (1) or (2), and the member has designated a beneficiary, the member's member contributions shall be paid to the beneficiary.

(4) The combined payments to beneficiaries of any member under this section may not exceed 75% of the member's final average monthly salary.

(5) (a) A surviving spouse who requests a benefit under this section shall apply in writing to the office.

(b) The allowance shall begin on the first day of the month:

(i) following the month in which the member died, if the application is received by the office within 90 days of the member's death; or

(ii) following the month in which the application is received by the office, if the application is received by the office more than 90 days after the member's death.

Section ~~(2)~~4. Section **49-16-501** is amended to read:

49-16-501. Death of active member in Division A -- Payment of benefits.

(1) If an active member of this system enrolled in Division A under Section 49-16-301 dies, benefits are payable as follows:

(a) If the death is classified by the office as a line-of-duty death, benefits are payable as follows:

(i) If the member has accrued less than 20 years of firefighter service credit, the surviving spouse shall receive a lump sum equal to six months of the active member's final average salary and an allowance equal to 30% of the member's final average monthly salary.

(ii) If the member has accrued 20 or more years of firefighter service credit, the member shall be considered to have retired with an allowance calculated under Section 49-16-402 and the surviving spouse shall receive the death benefit payable to a surviving spouse under Section 49-16-504.

(b) If the death is not classified as a line-of-duty death by the office, benefits are payable as follows:

(i) If the member has accrued less than 10 years of firefighter service credit, the beneficiary shall receive a sum of \$1,000 or a refund of the member's member contributions,

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whichever is greater.

(ii) If the member has accrued 10 or more years of firefighter service credit but less than 20 years of firefighter service credit, the surviving spouse shall receive a sum of \$500, plus an allowance equal to 2% of the member's final average monthly salary for each year of service credit accrued by the member up to a maximum of 30% of the member's final average monthly salary.

(iii) If the member has accrued 20 or more years of firefighter service credit:

(A) the member shall be considered to have retired with an allowance calculated under Section 49-16-402; and

(B) the surviving spouse shall receive the death benefit payable to a surviving spouse under Section 49-16-504.

(2) (a) If the member dies without a surviving spouse, the surviving spouse's allowance shall be equally divided and paid to each unmarried child until the child reaches age 21.

(b) The payment shall be made to a duly appointed guardian or as provided under Sections 49-11-609 and 49-11-610.

(3) If the benefit is not distributed under this section, and the member has designated a beneficiary, the member's member contributions shall be paid to the beneficiary.

(4) (a) A surviving spouse who requests a benefit under this section shall apply in writing to the office.

(b) The allowance shall begin on the first day of the month:

(i) following the month in which the member died, if the application is received by the office within 90 days of the member's death; or

(ii) following the month in which the application is received by the office, if the application is received by the office more than 90 days after the member's death.

Section ~~33~~5. **Effective date.**

This bill takes effect on July 1, 2018.

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Legislative Review Note

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~~Office of Legislative Research and General Counsel~~