

**CONCURRENT RESOLUTION AUTHORIZING STATE PICK
UP OF PUBLIC SAFETY AND FIREFIGHTER EMPLOYEE
RETIREMENT CONTRIBUTIONS**

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lee B. Perry

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This concurrent resolution addresses an employer pick up of certain required employee contributions of employees who are eligible for and participate as members in the New Public Safety and Firefighter Tier II Contributory Retirement System.

Highlighted Provisions:

This resolution:

- ▶ declares that the state, after a specified date, will pick up and pay all of the required employee contributions for all state employees who are members of the New Public Safety and Firefighter Tier II Contributory Retirement System; and
- ▶ includes provisions relating to the employer pick up.

Special Clauses:

This resolution provides a contingent effective date.

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, agencies of the state employ employees who are eligible for and participate as members in the New Public Safety and Firefighter Tier II Contributory Retirement System administered by the Utah Retirement Systems;

WHEREAS, in accordance with federal and state law, including Section 414(h)(2) of



28 the Internal Revenue Code, employers may take formal action to pick up required employee
29 contributions, which will be paid by the employer in lieu of employee contributions;

30 WHEREAS, the state desires to formally pick up all of the employee contributions
31 required to be paid under Subsection 49-23-301(2)(c), as enacted in S.B. 56, Public Safety and
32 Firefighter Tier II Retirement Enhancements (2020 General Session), for all state employees
33 participating in the New Public Safety and Firefighter Tier II Contributory Retirement System;
34 and

35 WHEREAS, the Legislature and Governor are duly authorized to take this formal action
36 on behalf of the state as a participating employer with the Utah Retirement Systems:

37 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
38 Governor concurring therein, declares that beginning July 1, 2020, the state, on behalf of its
39 agencies, shall prospectively pick up and pay all of the required employee contributions for all
40 state employees who are members of the New Public Safety and Firefighter Tier II
41 Contributory Retirement System.

42 BE IT FURTHER RESOLVED that the picked up contributions paid by the employer,
43 even though designated as employee contributions for state law purposes, are being paid by the
44 state on behalf of its agencies in lieu of the required employee contributions.

45 BE IT FURTHER RESOLVED that the picked up contributions will not be included in
46 the gross income of the employees for tax reporting purposes, that is, for federal or state
47 income tax withholding taxes, until distributed from the Utah Retirements Systems, so that the
48 contributions are treated as employer contributions pursuant to Section 414(h)(2) of the Internal
49 Revenue Code.

50 BE IT FURTHER RESOLVED that the picked up contributions are a supplement and
51 not a salary reduction to the state employees who are eligible for and participating members in
52 the New Public Safety and Firefighter Tier II Contributory Retirement System.

53 BE IT FURTHER RESOLVED that from and after the date of this pick up, a state
54 employee may not have a cash or deferred election right with respect to the designated
55 employee contributions, including that the employees may not be permitted to opt out of the
56 pick up and may not be entitled to any option of choosing to receive the contributed amounts
57 directly instead of having them paid by the state on behalf of its employees to the Utah
58 Retirement Systems.

59 **Contingent effective date.**

60 This resolution takes effect on July 1, 2020, only if S.B. 56, Public Safety and
61 Firefighter Tier II Retirement Enhancements (2020 General Session), passes the Legislature
62 and becomes law on July 1, 2020.