

HB0070S01 compared with HB0070

~~text~~ shows text that was in HB0070 but was deleted in HB0070S01.

text shows text that was not in HB0070 but was inserted into HB0070S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Matthew H. Gwynn proposes the following substitute bill:

PUBLIC SAFETY DISABILITY BENEFITS AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Matthew H. Gwynn

Senate Sponsor: ~~_____~~ John D. Johnson

LONG TITLE

General Description:

This bill modifies ~~long-term~~ disability coverage provisions of the Utah State Retirement and Insurance Benefit Act.

Highlighted Provisions:

This bill:

- requires a participating employer to provide a benefit protection contract ~~in addition to long-term disability coverage if the participating employer covers:~~

- ~~• }for a public safety service {employees under the Public Safety Contributory Retirement Act or the Public Safety Noncontributory Retirement Act, or~~

- ~~• public safety or }employee or a firefighter service {employees under the New Public Safety and Firefighter Tier II Contributory Retirement Act}~~ employee if the employee is injured or becomes ill as the result of external force or violence

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while performing employment duties:

- ▶ authorizes a participating employer to provide a benefit protection contract for a public safety service employee or a firefighter service employee for other injuries or illness; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

~~{49-14-601}~~49-11-404, as ~~{enacted}~~last amended by Laws of Utah ~~{2003, Chapter 240~~

~~49-15-601~~, as enacted by Laws of Utah 2003, Chapter 240

~~49-23-601~~, as last amended by Laws of Utah 2012, Chapter 298; 2011, Chapter 366

ENACTS:

49-14-602, Utah Code Annotated 1953

49-15-602, Utah Code Annotated 1953

49-23-602, Utah Code Annotated 1953

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

Section 1. Section 49-11-404 is amended to read:

49-11-404. Benefit protection contract authorized -- Annual report required.

(1) (a) A participating employer may establish a salary protection program under which [its] the participating employer's employees are paid during periods of disability.

(b) If a salary protection program is established, a participating employer may enter into benefit protection contracts with the office.

(c) A salary protection program shall:

(i) pay benefits based on the rate of compensation of the member with a disability at the time of disability;

(ii) pay benefits over the period of the disability;

(iii) not include settlement or lump sum payments of any type;

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(iv) be based upon the member being awarded and receiving ongoing monthly disability benefits that are:

(A) substantially equivalent to the long-term disability programs offered under Chapter 21, Public Employees' Long-Term Disability Act; ~~and~~ or

(B) workers' compensation indemnity benefits provided in accordance with Title 31A, Insurance Code; and

(v) comply with requirements adopted by the board.

(2) A benefit protection contract shall allow:

(a) the member with a disability to be considered an active member in a system and continue to accrue service credit and salary credit based on the member's rate of pay in effect at the time disability commences;

(b) the office to require participating employer contributions to be paid before granting service credit and salary credit to the member;

(c) the member with a disability to remain eligible during the contract period for any benefits provided by the system that covers the member; and

(d) the benefit for the member with a disability to be improved by the annual cost-of-living increase factor applied to retired members of the system that covered the member on the date the member is eligible to receive benefits under a benefit protection contract.

(3) (a) The office shall establish the manner and times when employer contributions are paid.

(b) A failure to make the required payments is cause for the office to cancel a contract.

(c) Service credit and salary credit granted and accrued up to the time of cancellation may not be forfeited.

(4) For an employee covered under Chapter 22, New Public Employees' Tier II Contributory Retirement Act, or Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act, a benefit protection contract shall allow:

(a) for the defined benefit portion for a member covered under Chapter 22, Part 3, Tier II Hybrid Retirement System, or Chapter 23, Part 3, Tier II Hybrid Retirement System:

(i) the member with a disability to be considered an active member in a system and continue to accrue service credit and salary credit based on the member's rate of pay in effect at the time disability commences;

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(ii) the office to require participating employer contributions to be paid before granting service credit and salary credit to the member;

(iii) the member with a disability to remain eligible during the contract period for any benefits provided by the system that covers the member; and

(iv) the benefit for the member with a disability to be improved by the annual cost-of-living increase factor applied to retired members of the system that covered the member on the date the member is eligible to receive benefits under a benefit protection contract; and

(b) for the defined contribution portion for a member covered under Chapter 22, Part 3, Tier II Hybrid Retirement System, or Chapter 23, Part 3, Tier II Hybrid Retirement System, or for a participant covered under Chapter 22, Part 4, Tier II Defined Contribution Plan, or Chapter 23, Part 4, Tier II Defined Contribution Plan, the office to require participating employers to continue making the nonelective contributions on behalf of the member with a disability or participant in the amounts specified in Subsection 49-22-303(1)(a), 49-22-401(1), 49-23-302(1)(a), or 49-23-401(1).

(5) A participating employer that has entered into a benefit protection contract under this section shall submit an annual report to the office, which identifies:

(a) the employees receiving long-term disability benefits under policies initiated by the participating employer and approved under the benefit protection contract;

(b) the employees that have applied for long-term disability benefits and who are waiting approval; and

(c) the insurance carriers that are actively providing long-term disability benefits.

(6) If an employer fails to provide the annual report required under Subsection (5), the benefits that would have accrued under the benefit protection contract shall be forfeited.

(7) The board may adopt rules to implement and administer this section.

Section ~~{1}~~2. Section ~~{49-14-601}~~49-14-602 is ~~{amended}~~enacted to read:

~~{49-14-601}~~49-14-602. ~~{Long-term disability coverage -- Benefit}~~ Benefit

protection contract.

~~(1) { Each participating employer shall cover [its] the participating employer's public safety service employees under Title 49, Chapter 21, Public Employees' Long-Term Disability Act, or a substantially similar long-term disability program.~~

~~(2) { As used in this section:~~

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(a) "Objective medical impairment" means the same as that term is defined in Section 49-21-102.

(b) "Qualifying injury or illness" means a physical or mental objective medical impairment resulting from external force or violence as a result of the performance of an employment duty.

(2) (a) A participating employer shall provide a benefit protection contract described in Section 49-11-404 for ~~the participating employer's~~ any public safety service ~~employees.~~ ~~Section 2~~ employee who suffers a qualifying injury or illness as determined in accordance with this section.

(b) A participating employer may elect to provide a benefit protection contract for any other injury or illness of a public safety service employee in accordance with the requirements for providing a benefit protection contract, including the provisions of Section 49-11-404.

(3) (a) For purposes of Subsection (2)(a), the provider of long-term disability or workers' compensation indemnity benefits shall determine if a public safety service employee has suffered a qualifying injury or illness, including completing any appeals relating to that determination in accordance with the applicable appeals procedures.

(b) In addition to the annual report requirements under Section 49-11-404:

(i) if there is final determination that a public safety service employee has suffered a qualifying injury or illness and is awarded an ongoing monthly disability benefit based on that qualifying injury or illness, the participating employer shall immediately notify the office of the employee's award of that ongoing monthly disability benefit; and

(ii) if the public safety service employee's monthly disability benefit is terminated for any reason, the participating employer shall immediately notify the office of the termination of the monthly disability benefit.

Section 3. Section ~~49-15-601~~ 49-15-602 is ~~amended~~ enacted to read:

~~49-15-601~~ 49-15-602. ~~Long-term disability coverage -- Benefit~~ **Benefit**

protection contract.

(1) ~~Each participating employer shall cover [its] the participating employer's public safety service employees under Title 49, Chapter 21, Public Employees' Long-Term Disability Act, or a substantially similar long-term disability program.~~

~~(2)~~ As used in this section:

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(a) "Objective medical impairment" means the same as that term is defined in Section 49-21-102.

(b) "Qualifying injury or illness" means a physical or mental objective medical impairment resulting from external force or violence as a result of the performance of an employment duty.

(2) (a) A participating employer shall provide a benefit protection contract described in Section 49-11-404 for ~~the participating employer's~~ any public safety service ~~employees.~~ ~~Section 3~~ employee who suffers a qualifying injury or illness as determined in accordance with this section.

(b) A participating employer may elect to provide a benefit protection contract for any other injury or illness of a public safety service employee in accordance with the requirements for providing a benefit protection contract, including the provisions of Section 49-11-404.

(3) (a) For purposes of Subsection (2)(a), the provider of long-term disability or workers' compensation indemnity benefits shall determine if a public safety service employee has suffered a qualifying injury or illness, including completing any appeals relating to that determination in accordance with the applicable appeals procedures.

(b) In addition to the annual report requirements under Section 49-11-404:

(i) if there is final determination that a public safety service employee has suffered a qualifying injury or illness and is awarded an ongoing monthly disability benefit based on that qualifying injury or illness, the participating employer shall immediately notify the office of the employee's award of that ongoing monthly disability benefit; and

(ii) if the public safety service employee's monthly disability benefit is terminated for any reason, the participating employer shall immediately notify the office of the termination of the monthly disability benefit.

Section 4. Section ~~{49-23-601}~~ 49-23-602 is ~~{amended}~~ enacted to read:

~~{49-23-601}~~ 49-23-602. ~~{ Long-term disability coverage -- Benefit}~~ **Benefit**

protection contract.

~~{(1) A participating employer shall cover a public safety service employee who initially enters employment on or after July 1, 2011, under Chapter 21, Public Employees' Long-Term Disability Act, or a substantially similar long-term disability program.~~

~~———— (2) (a) A participating employer shall cover a firefighter service employee who initially~~

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enters employment on or after July 1, 2011, under Chapter 21, Public Employees' Long-Term Disability Act:

~~_____ (b) In accordance with this section, a participating employer shall provide long-term disability benefit coverage for a volunteer firefighter as provided under Section 49-16-701.~~

~~_____ (c) The office shall ensure that the cost of the long-term disability benefit coverage provided under Subsections (2)(a) and (b) is funded with revenue received under Section 49-11-901.5.~~

~~_____ (3)(1) As used in this section:~~

(a) "Objective medical impairment" means the same as that term is defined in Section 49-21-102.

(b) "Qualifying injury or illness" means a physical or mental objective medical impairment resulting from external force or violence as a result of the performance of an employment duty.

(2) (a) A participating employer shall provide a benefit protection contract described in Section 49-11-404 for ~~the participating employer's~~ any public safety service ~~employees and~~ employee or firefighter service ~~employees~~ employee who suffers a qualifying injury or illness as determined in accordance with this section.

(b) A participating employer may elect to provide a benefit protection contract for any other injury or illness of a public safety service employee or firefighter service employee in accordance with the requirements for providing a benefit protection contract, including the provisions of Section 49-11-404.

(3) (a) For purposes of Subsection (2)(a), the provider of long-term disability or workers' compensation indemnity benefits shall determine if a public safety service employee or firefighter service employee has suffered a qualifying injury or illness, including completing any appeals relating to that determination in accordance with the applicable appeals procedures.

(b) In addition to the annual report requirements under Section 49-11-404:

(i) if there is final determination that a public safety service employee or firefighter service employee has suffered a qualifying injury or illness and is awarded an ongoing monthly disability benefit based on that qualifying injury or illness, the participating employer shall immediately notify the office of the employee's award of that ongoing monthly disability

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benefit; and

(ii) if the public safety service employee's or firefighter service employee's monthly disability benefit is terminated for any reason, the participating employer shall immediately notify the office of the termination of the monthly disability benefit.

Section ~~{4}~~5. **Effective date.**

This bill takes effect on July 1, 2022.