

PORTABLE BENEFIT PLAN

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John D. Johnson

House Sponsor: Ryan D. Wilcox

LONG TITLE

General Description:

This bill enacts provisions related to portable benefit plans.

Highlighted Provisions:

This bill:

- ▶ provides that government entities or private entities may offer a portable benefit plan;
- ▶ requires contributions to a portable benefit plan be voluntary;
- ▶ provides that contributions to a portable benefit plan:
 - are not evidence of an employment relationship or employer liability; and
 - may not be used as criteria in determining employment classifications; and
- ▶ defines terms.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

34-57-101, Utah Code Annotated 1953

34-57-102, Utah Code Annotated 1953

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

29 Section 1. Section **34-57-101** is enacted to read:

30 **CHAPTER 57. PORTABLE BENEFIT PLAN**

31 **Part 1. General Provisions**

32 **34-57-101. Definitions.**

33 As used in this chapter:

34 (1) "Hiring party" means a person who hires or enters into a contract with an
35 independent contractor.

36 (2) "Independent contractor" means the same as that term is defined in Section
37 34A-2-103.

38 (3) "Portable benefit plan" means a group that:

39 (a) offers an insurance product regulated by:

40 (i) Title 31A, Insurance Code; or

41 (ii) Title 35A, Chapter 4, Employment Security Act; and

42 (b) is assigned to an individual beneficiary and is not associated with a specific
43 employer or hiring party.

44 Section 2. Section **34-57-102** is enacted to read:

45 **34-57-102. Administration -- Assignment of benefits -- Portability.**

46 (1) A governmental entity or private entity may offer a portable benefit plan.

47 (2) Contributions to a portable benefit plan:

48 (a) shall be voluntary; and

49 (b) may not be used as a criterion for determining a person's employment classification.

50 (3) If an Internet or application-based company contributes to a portable benefit plan
51 for the benefit of an individual beneficiary:

52 (a) the contribution is not evidence of employer liability; and

53 (b) a court may not construe the contribution as an element of an employment
54 relationship for purposes of:

55 (i) Title 34A, Chapter 2, Workers' Compensation Act; or

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(ii) Title 35A, Chapter 4, Employment Security Act.