

1 **UTAH RETIREMENT AMENDMENTS**

2 2023 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 House Sponsor: Keven J. Stratton

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7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the provisions relating to an employer match of employee  
10 contributions to a retirement savings account.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ requires an employer to automatically enroll a newly hired benefit-eligible state  
14 employee to make a biweekly contribution to a Utah Retirement Systems 401(k)  
15 retirement savings account in an amount equal to the amount that is eligible for an  
16 employer match; and

17 ▶ allows an employee to modify the automatic enrollment, including:

- 18 • opting out of automatic enrollment;  
19 • changing the amount of a contribution; and  
20 • changing the Utah Retirement Services retirement savings account into which  
21 the contribution is made.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None

26 **Utah Code Sections Affected:**

27 AMENDS:



28 **63A-17-805**, as last amended by Laws of Utah 2021, Chapter 382 and renumbered and  
29 amended by Laws of Utah 2021, Chapter 344



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

32 Section 1. Section **63A-17-805** is amended to read:

33 **63A-17-805. State employee matching supplemental defined contribution benefit.**

34 (1) As used in this section:

35 (a) "Qualifying account" means:

36 (i) a defined contribution plan qualified under Section 401(k) of the Internal Revenue  
37 Code, which is sponsored by the Utah State Retirement Board;

38 (ii) a deemed Individual Retirement Account authorized under the Internal Revenue  
39 Code, which is sponsored by the Utah State Retirement Board; or

40 (iii) a similar savings plan or account authorized under the Internal Revenue Code,  
41 which is sponsored by the Utah State Retirement Board.

42 (b) "Qualifying employee" means an employee who is:

43 (i) in a position that is:

44 (A) receiving retirement benefits under Title 49, Utah State Retirement and Insurance  
45 Benefit Act; and

46 (B) accruing paid leave benefits that can be used in the current and future calendar  
47 years; and

48 (ii) not an employee who is reemployed as that term is:

49 (A) defined in Section **49-11-1202**; or

50 (B) used in Section **49-11-504**.

51 (2) Subject to the requirements of Subsection (3), an employer shall make a biweekly  
52 matching contribution to every qualifying employee's defined contribution plan qualified under  
53 Section 401(k) of the Internal Revenue Code, subject to federal requirements and limitations,  
54 which is sponsored by the Utah State Retirement Board.

55 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying  
56 employee shall be eligible to receive the same dollar amount for the contribution under  
57 Subsection (2).

58 (b) A qualifying employee who is hired before July 1, 2023:

59 (i) shall receive the contribution amount determined under Subsection [~~(3)(c)~~] (3)(f) if  
60 the qualifying employee makes a voluntary personal contribution to one or more qualifying  
61 accounts in an amount equal to or greater than the employer's contribution amount determined  
62 ~~[in]~~ under Subsection [~~(3)(c)~~] (3)(f);

63 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's  
64 personal contribution amount if the employee makes a voluntary personal contribution to one  
65 or more qualifying accounts in an amount less than the employer's contribution amount  
66 determined ~~[in]~~ under Subsection [~~(3)(c)~~] (3)(f); or

67 (iii) may not receive a contribution under Subsection (2) if the qualifying employee  
68 does not make a voluntary personal contribution to a qualifying account.

69 (c) (i) (A) An employer shall automatically enroll a qualifying employee who is hired  
70 on or after July 1, 2023, to make a personal contribution to a defined contribution plan  
71 qualified under Section 401(k) of the Internal Revenue Code, which is sponsored by the Utah  
72 State Retirement Board, in an amount equal to the employer's contribution amount determined  
73 under Subsection (3)(f).

74 (B) A qualifying employee who makes a personal contribution in accordance with  
75 Subsection (3)(c)(i)(A) shall receive the contribution amount determined under Subsection  
76 (3)(f).

77 (d) (i) A qualifying employee who is hired on or after July 1, 2023, may opt out of the  
78 automatic enrollment by choosing not to make any future personal contributions.

79 (ii) A qualifying employee who opts out of automatic enrollment in accordance with  
80 this Subsection (3)(d) may not receive a contribution under Subsection (2).

81 (e) (i) A qualifying employee who is hired on or after July 1, 2023, may modify the  
82 automatic enrollment by opting to make future personal contributions:

83 (A) in an amount other than the amount determined under Subsection (3)(f); and

84 (B) to a qualifying account other than the defined contribution plan qualified under  
85 Section 401(k) of the Internal Revenue Code, which is sponsored by the Utah State Retirement  
86 Board.

87 (ii) A qualifying employee who opts to make a personal contribution for less than the  
88 amount determined under Subsection (3)(f) shall receive a partial contribution that is equal to  
89 the qualifying employee's personal contribution amount.

90           ~~[(e)]~~ (f) (i) Subject to the maximum limit under Subsection ~~[(3)(e)(iii)]~~ (3)(f)(iii), the  
91 Legislature shall annually determine the contribution amount that an employer shall provide to  
92 each qualifying employee under Subsection (2).

93           (ii) The division shall make recommendations annually to the Legislature on the  
94 contribution amount required under Subsection (2), in consultation with the Governor's Office  
95 of Planning and Budget and the Division of Finance.

96           (iii) The biweekly matching contribution amount required under Subsection (2) may  
97 not exceed \$26 for each qualifying employee.

98           (4) A qualifying employee is eligible to receive the biweekly contribution under this  
99 section for any pay period in which the employee is in a paid status or other status protected by  
100 federal or state law.

101           (5) The employer and employee contributions made and related earnings under this  
102 section vest immediately upon deposit and can be withdrawn by the employee at any time,  
103 subject to Internal Revenue Code regulations on the withdrawals.

104           (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
105 director shall make rules establishing procedures to implement the provisions of this section.