

**PHASED RETIREMENT AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel Hemmert**

House Sponsor: Jefferson Moss

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by amending provisions relating to phased retirement.

**Highlighted Provisions:**

This bill:

- ▶ amends definitions;
- ▶ modifies the application procedures for a phased retirement agreement;
- ▶ modifies provisions regarding the beginning and termination periods for phased retirement employment; 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:

**49-11-1301**, as enacted by Laws of Utah 2016, Chapter 280

**49-11-1303**, as enacted by Laws of Utah 2016, Chapter 280

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

Section 1. Section **49-11-1301** is amended to read:

**49-11-1301. Definitions.**

As used in this part:

(1) "Amortization rate" means the amortization rate, as defined in Section 49-11-102, to be applied to the system that would have covered the retiree if the retiree's part-time position were considered to be an eligible, full-time position within that system.

(2) "Full-time" means a:

(a) regular full-time employee whose term of employment for a participating employer contemplates continued employment during a fiscal or calendar year and whose employment normally requires an average of 40 hours or more per week and who receives benefits normally provided by the participating employer;

(b) teacher whose term of employment for a participating employer contemplates continued employment during a school year and who teaches full time;

(c) firefighter service employee whose employment normally requires an average of 2,080 hours of regularly scheduled firefighter service per year; and

(d) public safety service employee whose employment normally requires an average of 2,080 hours of regularly scheduled public safety service per year.

(3) "Half-time" means a:

(a) regular employee whose term of employment for a participating employer contemplates continued employment during a fiscal or calendar year and whose employment normally requires an average of 20 hours per week and who receives benefits normally provided by the participating employer;

(b) teacher whose term of employment for a participating employer contemplates continued employment during a school year and who teaches half time;

(c) firefighter service employee whose employment normally requires an average of 1,040 hours of regularly scheduled firefighter service per year; and

(d) public safety service employee whose employment normally requires an average of 1,040 hours of regularly scheduled public safety service per year.

(4) "Phased retirement" means continuing employment on a half-time basis of a retiree with the same participating employer [~~immediately after~~] following the retiree's retirement date

while the retiree receives a reduced retirement allowance.

Section 2. Section **49-11-1303** is amended to read:

**49-11-1303. Phased retirement -- Eligibility -- Restrictions -- Amortization rate.**

(1) A retiree is eligible for employment with only one position for only one participating employer under phased retirement following the retiree's retirement date if:

(a) the retiree:

(i) is eligible to retire and retires in accordance with this title;

(ii) has been employed full time, for not less than four years immediately before the retiree's retirement date;

(iii) completes and submits all required retirement forms to the office; and

~~[(iv) completes and submits any phased retirement forms required by rules established under Section 49-11-1308; and]~~

(iv) prior to the retiree's retirement date, completes and submits all required phased retirement forms to the office; and

(b) the retiree and the participating employer enter into an agreement described under Section **49-11-1304**.

(2) A retiree shall begin phased retirement employment after the retiree's retirement date but no later than 120 days after the retiree's retirement date.

~~[(2)]~~ (3) For the period of the phased retirement:

(a) the retiree receives 50% of the retiree's monthly allowance;

(b) the participating employer employs the retiree on a half-time basis;

(c) a participating employer that employs the retiree shall contribute to the office the amortization rate;

(d) the retiree or an alternate payee may not receive an annual cost-of-living adjustment to the retiree's or alternate payee's allowance;

(e) any death benefits payable to a surviving spouse or other beneficiary shall be paid based on 100% of the retiree's retirement allowance;

(f) the retiree may not receive any employer provided retirement benefits, service credit

accruals, or any retirement related contributions from the participating employer; and

(g) except as specified under this section, a retiree working under phased retirement shall be treated in the same manner as any other part-time employee working a similar position and number of hours with the participating employer, including:

(i) any non-retirement related benefits;

(ii) leave benefits;

(iii) medical benefits; and

(iv) other benefits.

(4) The office shall begin paying 100% of the retiree's retirement allowance on the first day of the month following the month in which the office receives written notification and any required supporting documentation that the retiree's phased retirement has been irrevocably terminated.

Section 3. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.