

**RETIREMENT ELIGIBILITY AMENDMENTS**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Todd Weiler**

House Sponsor: Don L. Ipson

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**LONG TITLE**

**Committee Note:**

The Retirement and Independent Entities Interim Committee recommended this bill.

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ defines "part-time appointed board member" to mean a person who is appointed to serve as a member of a board, commission, council, committee, or panel of a participating employer and whose service as a part-time appointed board member does not qualify as a regular full-time employee;

- ▶ provides that a member who is retiring and who is also an elected official does not have to leave the elected office to be eligible to retire, unless the member is retiring as an elected official;

- ▶ provides that a member who is retiring and who is also a member of a part-time appointed board does not have to leave the board to be eligible to retire; and

- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **49-11-102**, as last amended by Laws of Utah 2012, Chapter 298

32 **49-12-401**, as last amended by Laws of Utah 2011, Chapter 439

33 **49-13-401**, as last amended by Laws of Utah 2011, Chapter 439

34 **49-14-401**, as last amended by Laws of Utah 2011, Chapter 439

35 **49-15-401**, as last amended by Laws of Utah 2011, Chapter 439

36 **49-16-401**, as last amended by Laws of Utah 2011, Chapter 439

37 **49-22-304**, as last amended by Laws of Utah 2011, Chapter 439

38 **49-23-303**, as last amended by Laws of Utah 2011, Chapter 439

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

41 Section 1. Section **49-11-102** is amended to read:

42 **49-11-102. Definitions.**

43 As used in this title:

44 (1) (a) "Active member" means a member who is employed or who has been employed  
45 by a participating employer within the previous 120 days.

46 (b) "Active member" does not include retirees.

47 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the  
48 basis of mortality tables as recommended by the actuary and adopted by the executive director,  
49 including regular interest.

50 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and  
51 adopted by the board upon which the funding of system costs and benefits are computed.

52 (4) (a) "Agency" means:

53 (i) a department, division, agency, office, authority, commission, board, institution, or  
54 hospital of the state;

55 (ii) a county, municipality, school district, local district, or special service district;

56 (iii) a state college or university; or

57 (iv) any other participating employer.

58 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a

59 subdivision of another entity listed under Subsection (4)(a).

60 (5) "Allowance" or "retirement allowance" means the pension plus the annuity,  
61 including any cost of living or other authorized adjustments to the pension and annuity.

62 (6) "Alternate payee" means a member's former spouse or family member eligible to  
63 receive payments under a Domestic Relations Order in compliance with Section 49-11-612.

64 (7) "Amortization rate" means the board certified percent of salary required to amortize  
65 the unfunded actuarial accrued liability in accordance with policies established by the board  
66 upon the advice of the actuary.

67 (8) "Annuity" means monthly payments derived from member contributions.

68 (9) "Appointive officer" means an employee appointed to a position for a definite and  
69 fixed term of office by official and duly recorded action of a participating employer whose  
70 appointed position is designated in the participating employer's charter, creation document, or  
71 similar document, and:

72 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in  
73 Section 49-12-407 for a Tier I appointive officer; and

74 (b) whose appointive position is full-time as certified by the participating employer for  
75 a Tier II appointive officer.

76 (10) (a) "At-will employee" means a person who is employed by a participating  
77 employer and:

78 (i) who is not entitled to merit or civil service protection and is generally considered  
79 exempt from a participating employer's merit or career service personnel systems;

80 (ii) whose on-going employment status is entirely at the discretion of the person's  
81 employer; or

82 (iii) who may be terminated without cause by a designated supervisor, manager, or  
83 director.

84 (b) "At-will employee" does not include a career employee who has obtained a  
85 reasonable expectation of continued employment based on inclusion in a participating  
86 employer's merit system, civil service protection system, or career service personnel systems,  
87 policies, or plans.

88 (11) "Beneficiary" means any person entitled to receive a payment under this title

89 through a relationship with or designated by a member, participant, covered individual, or  
90 alternate payee of a defined contribution plan.

91 (12) "Board" means the Utah State Retirement Board established under Section  
92 49-11-202.

93 (13) "Board member" means a person serving on the Utah State Retirement Board as  
94 established under Section 49-11-202.

95 (14) "Certified contribution rate" means the board certified percent of salary paid on  
96 behalf of an active member to the office to maintain the system on a financially and actuarially  
97 sound basis.

98 (15) "Contributions" means the total amount paid by the participating employer and  
99 the member into a system or to the Utah Governors' and Legislators' Retirement Plan under  
100 Chapter 19, Utah Governors' and Legislators' Retirement Act.

101 (16) "Council member" means a person serving on the Membership Council  
102 established under Section 49-11-202.

103 (17) "Covered individual" means any individual covered under Chapter 20, Public  
104 Employees' Benefit and Insurance Program Act.

105 (18) "Current service" means covered service as defined in Chapters 12, 13, 14, 15,  
106 16, 17, 18, and 19.

107 (19) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a  
108 system or plan offered under this title to provide a specified allowance to a retiree or a retiree's  
109 spouse after retirement that is based on a set formula involving one or more of the following  
110 factors:

- 111 (a) years of service;
- 112 (b) final average monthly salary; or
- 113 (c) a retirement multiplier.

114 (20) "Defined contribution" or "defined contribution plan" means any defined  
115 contribution plan or deferred compensation plan authorized under the Internal Revenue Code  
116 and administered by the board.

117 (21) "Educational institution" means a political subdivision or instrumentality of the  
118 state or a combination thereof primarily engaged in educational activities or the administration  
119 or servicing of educational activities, including:

120 (a) the State Board of Education and its instrumentalities;  
121 (b) any institution of higher education and its branches;  
122 (c) any school district and its instrumentalities;  
123 (d) any vocational and technical school; and  
124 (e) any entity arising out of a consolidation agreement between entities described under  
125 this Subsection (21).

126 (22) "Elected official":

127 (a) means a person elected to a state office, county office, municipal office, school  
128 board or school district office, local district office, or special service district office;

129 (b) includes a person who is appointed to serve an unexpired term of office described  
130 under Subsection (22)(a); and

131 (c) does not include a judge or justice who is subject to a retention election under  
132 Section 20A-12-201.

133 (23) (a) "Employer" means any department, educational institution, or political  
134 subdivision of the state eligible to participate in a government-sponsored retirement system  
135 under federal law.

136 (b) "Employer" may also include an agency financed in whole or in part by public  
137 funds.

138 (24) "Exempt employee" means an employee working for a participating employer:

139 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203,  
140 49-14-203, 49-15-203, or 49-16-203; and

141 (b) for whom a participating employer is not required to pay contributions or  
142 nonelective contributions.

143 (25) "Final average monthly salary" means the amount computed by dividing the  
144 compensation received during the final average salary period under each system by the number  
145 of months in the final average salary period.

146 (26) "Fund" means any fund created under this title for the purpose of paying benefits  
147 or costs of administering a system, plan, or program.

148 (27) (a) "Inactive member" means a member who has not been employed by a  
149 participating employer for a period of at least 120 days.

150 (b) "Inactive member" does not include retirees.

151 (28) (a) "Initially entering" means hired, appointed, or elected for the first time, in  
152 current service as a member with any participating employer.

153 (b) "Initially entering" does not include a person who has any prior service credit on  
154 file with the office.

155 (c) "Initially entering" includes an employee of a participating employer, except for an  
156 employee that is not eligible under a system or plan under this title, who:

157 (i) does not have any prior service credit on file with the office;

158 (ii) is covered by a retirement plan other than a retirement plan created under this title;

159 and

160 (iii) moves to a position with a participating employer that is covered by this title.

161 (29) (a) "Member" means a person, except a retiree, with contributions on deposit with  
162 a system, the Utah Governors' and Legislators' Retirement Plan under Chapter 19, Utah  
163 Governors' and Legislators' Retirement Act, or with a terminated system.

164 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)  
165 of the Internal Revenue Code, if the employees have contributions on deposit with the office.

166 If leased employees constitute less than 20% of the participating employer's work force that is  
167 not highly compensated within the meaning of Section 414(n)(5)(c)(ii), Internal Revenue Code,  
168 "member" does not include leased employees covered by a plan described in Section 414(n)(5)  
169 of the federal Internal Revenue Code.

170 (30) "Member contributions" means the sum of the contributions paid to a system or  
171 the Utah Governors' and Legislators' Retirement Plan, including refund interest if allowed by a  
172 system, and which are made by:

173 (a) the member; and

174 (b) the participating employer on the member's behalf under Section 414(h) of the  
175 Internal Revenue Code.

176 (31) "Nonelective contribution" means an amount contributed by a participating  
177 employer into a participant's defined contribution account.

178 (32) "Normal cost rate":

179 (a) means the percent of salary that is necessary for a retirement system that is fully  
180 funded to maintain its fully funded status; and

181 (b) is determined by the actuary based on the assumed rate of return established by the

182 board.

183 (33) "Office" means the Utah State Retirement Office.

184 (34) "Participant" means an individual with voluntary deferrals or nonelective  
185 contributions on deposit with the defined contribution plans administered under this title.

186 (35) "Participating employer" means a participating employer, as defined by Chapter  
187 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'  
188 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,  
189 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'  
190 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'  
191 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds  
192 which is participating in a system or plan as of January 1, 2002.

193 (36) "Part-time appointed board member" means a person:

194 (a) who is appointed to serve as a member of a board, commission, council, committee,  
195 or panel of a participating employer; and

196 (b) whose service as a part-time appointed board member does not qualify as a regular  
197 full-time employee as defined under Section 49-12-102, 49-13-102, or 49-22-102.

198 [~~36~~] (37) "Pension" means monthly payments derived from participating employer  
199 contributions.

200 [~~37~~] (38) "Plan" means the Utah Governors' and Legislators' Retirement Plan created  
201 by Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees'  
202 Tier II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution  
203 Plan, the New Public Safety and Firefighter Tier II Defined Contribution Plan created by  
204 Chapter 23, Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created  
205 under Section 49-11-801.

206 [~~38~~] (39) (a) "Political subdivision" means any local government entity, including  
207 cities, towns, counties, and school districts, but only if the subdivision is a juristic entity that is  
208 legally separate and distinct from the state and only if its employees are not by virtue of their  
209 relationship to the entity employees of the state.

210 (b) "Political subdivision" includes local districts, special service districts, or  
211 authorities created by the Legislature or by local governments, including the office.

212 (c) "Political subdivision" does not include a project entity created under Title 11,

213 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.

214 [~~(39)~~] (40) "Program" means the Public Employees' Insurance Program created under  
215 Chapter 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'  
216 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term  
217 Disability Act.

218 [~~(40)~~] (41) "Public funds" means those funds derived, either directly or indirectly, from  
219 public taxes or public revenue, dues or contributions paid or donated by the membership of the  
220 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,  
221 the governmental, educational, and social programs and systems of the state or its political  
222 subdivisions.

223 [~~(41)~~] (42) "Qualified defined contribution plan" means a defined contribution plan  
224 that meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

225 [~~(42)~~] (43) (a) "Reemployed," "reemploy," or "reemployment" means work or service  
226 performed after retirement, in exchange for compensation.

227 (b) Reemployment includes work or service performed on a contract if the retiree is:

228 (i) listed as the contractor; or

229 (ii) an owner, partner, or principle of the contractor.

230 [~~(43)~~] (44) "Refund interest" means the amount accrued on member contributions at a  
231 rate adopted by the board.

232 [~~(44)~~] (45) "Retiree" means an individual who has qualified for an allowance under this  
233 title.

234 [~~(45)~~] (46) "Retirement" means the status of an individual who has become eligible,  
235 applies for, and is entitled to receive an allowance under this title.

236 [~~(46)~~] (47) "Retirement date" means the date selected by the member on which the  
237 member's retirement becomes effective with the office.

238 [~~(47)~~] (48) "Retirement related contribution":

239 (a) means any employer payment to any type of retirement plan or program made on  
240 behalf of an employee; and

241 (b) does not include Social Security payments or Social Security substitute payments  
242 made on behalf of an employee.

243 [~~(48)~~] (49) "Service credit" means:



244 (a) the period during which an employee is employed and compensated by a  
245 participating employer and meets the eligibility requirements for membership in a system or the  
246 Utah Governors' and Legislators' Retirement Plan, provided that any required contributions are  
247 paid to the office; and

248 (b) periods of time otherwise purchasable under this title.

249 [~~(49)~~] (50) "System" means the individual retirement systems created by Chapter 12,  
250 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'  
251 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,  
252 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'  
253 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'  
254 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement  
255 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part  
256 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid  
257 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

258 [~~(50)~~] (51) "Tier I" means a system or plan under this title for which an employee is  
259 eligible to participate if the employee initially enters regular full-time employment before July  
260 1, 2011.

261 [~~(51)~~] (52) (a) "Tier II" means a system or plan under this title provided in lieu of a  
262 Tier I system or plan for which an employee is eligible to participate, if the employee initially  
263 enters regular full-time employment on or after July 1, 2011.

264 (b) "Tier II" includes:

265 (i) the Tier II hybrid system established under:

266 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or

267 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and

268 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:

269 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or

270 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.

271 [~~(52)~~] (53) "Unfunded actuarial accrued liability" or "UAAL":

272 (a) is determined by the system's actuary; and

273 (b) means the excess, if any, of the accrued liability of a retirement system over the  
274 actuarial value of its assets.

275            [~~(53)~~] (54) "Voluntary deferrals" means an amount contributed by a participant into  
276 that participant's defined contribution account.

277            Section 2. Section **49-12-401** is amended to read:

278            **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

279            (1) A member is qualified to receive an allowance from this system when:

280            (a) except as provided under Subsection (3), the member ceases actual work for every  
281 participating employer that employs the member before the member's retirement date and  
282 provides evidence of the termination;

283            (b) the member has submitted to the office a notarized retirement application form that  
284 states the member's proposed retirement date; and

285            (c) one of the following conditions is met as of the member's retirement date:

286            (i) the member has accrued at least four years of service credit and has attained an age  
287 of 65 years;

288            (ii) the member has accrued at least 10 years of service credit and has attained an age  
289 of 62 years;

290            (iii) the member has accrued at least 20 years of service credit and has attained an age  
291 of 60 years; or

292            (iv) the member has accrued at least 30 years of service credit.

293            (2) (a) The member's retirement date:

294            (i) shall be the 1st or the 16th day of the month, as selected by the member;

295            (ii) shall be on or after the date of termination; and

296            (iii) may not be more than 90 days before or after the date the application is received by  
297 the office.

298            (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
299 participating employer in the system established by this chapter on the retirement date selected  
300 under Subsection (2)(a)(i).

301            (3) (a) A member who is employed by a participating employer and who is also an  
302 elected official is not required to cease service as an elected official to be qualified to receive  
303 an allowance under Subsection (1), unless the member is retiring from service as an elected  
304 official.

305            (b) A member who is employed by a participating employer and who is also a part-time

306 appointed board member is not required to cease service as a part-time appointed board  
307 member to be qualified to receive an allowance under Subsection (1).

308 Section 3. Section **49-13-401** is amended to read:

309 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

310 (1) A member is qualified to receive an allowance from this system when:

311 (a) except as provided under Subsection (3), the member ceases actual work for every  
312 participating employer that employs the member before the member's retirement date and  
313 provides evidence of the termination;

314 (b) the member has submitted to the office a notarized retirement application form that  
315 states the member's proposed retirement date; and

316 (c) one of the following conditions is met as of the member's retirement date:

317 (i) the member has accrued at least four years of service credit and has attained an age  
318 of 65 years;

319 (ii) the member has accrued at least 10 years of service credit and has attained an age  
320 of 62 years;

321 (iii) the member has accrued at least 20 years of service credit and has attained an age  
322 of 60 years;

323 (iv) the member has accrued at least 30 years of service credit; or

324 (v) the member has accrued at least 25 years of service credit, in which case the  
325 member shall be subject to the reduction under Subsection 49-13-402(2)(b).

326 (2) (a) The member's retirement date:

327 (i) shall be the 1st or the 16th day of the month, as selected by the member;

328 (ii) shall be on or after the date of termination; and

329 (iii) may not be more than 90 days before or after the date the application is received by  
330 the office.

331 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
332 participating employer in the system established by this chapter on the retirement date selected  
333 under Subsection (2)(a)(i).

334 (3) (a) A member who is employed by a participating employer and who is also an  
335 elected official is not required to cease service as an elected official to be qualified to receive  
336 an allowance under Subsection (1), unless the member is retiring from service as an elected

337 official.

338 (b) A member who is employed by a participating employer and who is also a part-time  
339 appointed board member is not required to cease service as a part-time appointed board  
340 member to be qualified to receive an allowance under Subsection (1).

341 Section 4. Section **49-14-401** is amended to read:

342 **49-14-401. Eligibility for service retirement -- Date of retirement --**

343 **Qualifications.**

344 (1) A member is qualified to receive an allowance from this system when:

345 (a) except as provided under Subsection (3), the member ceases actual work for every  
346 participating employer that employs the member before the member's retirement date and  
347 provides evidence of the termination;

348 (b) the member has submitted to the office a notarized retirement application form that  
349 states the member's proposed retirement date; and

350 (c) one of the following conditions is met as of the member's retirement date:

351 (i) the member has accrued at least 20 years of service credit;

352 (ii) the member has accrued at least 10 years of service credit and has attained an age  
353 of 60 years; or

354 (iii) the member has accrued at least four years of service credit and has attained an age  
355 of 65 years.

356 (2) (a) The member's retirement date:

357 (i) shall be the 1st or the 16th day of the month, as selected by the member;

358 (ii) shall be on or after the date of termination; and

359 (iii) may not be more than 90 days before or after the date the application is received by  
360 the office.

361 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
362 participating employer in the system established by this chapter on the retirement date selected  
363 under Subsection (2)(a)(i).

364 (3) (a) A member who is employed by a participating employer and who is also an  
365 elected official is not required to cease service as an elected official to be qualified to receive  
366 an allowance under Subsection (1), unless the member is retiring from service as an elected  
367 official.

368 (b) A member who is employed by a participating employer and who is also a part-time  
369 appointed board member is not required to cease service as a part-time appointed board  
370 member to be qualified to receive an allowance under Subsection (1).

371 Section 5. Section **49-15-401** is amended to read:

372 **49-15-401. Eligibility for service retirement -- Date of retirement --**  
373 **Qualifications.**

374 (1) A member is qualified to receive an allowance from this system when:

375 (a) except as provided under Subsection (3), the member ceases actual work for every  
376 participating employer that employs the member before the member's retirement date and  
377 provides evidence of the termination;

378 (b) the member has submitted to the office a notarized retirement application form that  
379 states the member's proposed retirement date; and

380 (c) one of the following conditions is met as of the member's retirement date:

381 (i) the member has accrued at least 20 years of service credit;

382 (ii) the member has accrued at least 10 years of service credit and has attained an age  
383 of 60 years; or

384 (iii) the member has accrued at least four years of service and has attained an age of 65  
385 years.

386 (2) (a) The member's retirement date:

387 (i) shall be the 1st or the 16th day of the month, as selected by the member;

388 (ii) shall be on or after the date of termination; and

389 (iii) may not be more than 90 days before or after the date the application is received by  
390 the office.

391 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
392 participating employer in the system established by this chapter on the retirement date selected  
393 under Subsection (2)(a)(i).

394 (3) (a) A member who is employed by a participating employer and who is also an  
395 elected official is not required to cease service as an elected official to be qualified to receive  
396 an allowance under Subsection (1), unless the member is retiring from service as an elected  
397 official.

398 (b) A member who is employed by a participating employer and who is also a part-time

399 appointed board member is not required to cease service as a part-time appointed board  
400 member to be qualified to receive an allowance under Subsection (1).

401 Section 6. Section **49-16-401** is amended to read:

402 **49-16-401. Eligibility for service retirement -- Date of retirement --**  
403 **Qualifications.**

404 (1) A member is qualified to receive an allowance from this system when:

405 (a) except as provided under Subsection (3), the member ceases actual work for every  
406 participating employer that employs the member before the member's retirement date and  
407 provides evidence of the termination;

408 (b) the member has submitted to the office a notarized retirement application form that  
409 states the member's proposed retirement date; and

410 (c) one of the following conditions is met as of the member's retirement date:

411 (i) the member has accrued at least 20 years of service credit;

412 (ii) the member has accrued at least 10 years of service credit and has attained an age  
413 of 60 years; or

414 (iii) the member has accrued at least four years of service credit and has attained an age  
415 of 65 years.

416 (2) (a) The member's retirement date:

417 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service  
418 employee;

419 (ii) shall be on or after the date of termination; and

420 (iii) may not be more than 90 days before or after the date the application is received by  
421 the office.

422 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
423 participating employer in the system established by this chapter on the retirement date selected  
424 under Subsection (2)(a)(i).

425 (3) (a) A member who is employed by a participating employer and who is also an  
426 elected official is not required to cease service as an elected official to be qualified to receive  
427 an allowance under Subsection (1), unless the member is retiring from service as an elected  
428 official.

429 (b) A member who is employed by a participating employer and who is also a part-time

430 appointed board member is not required to cease service as a part-time appointed board  
431 member to be qualified to receive an allowance under Subsection (1).

432 Section 7. Section **49-22-304** is amended to read:

433 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**  
434 **Qualifications.**

435 (1) A member is qualified to receive an allowance from this system when:

436 (a) [~~before the member's retirement date~~] except as provided under Subsection (3), the  
437 member ceases actual work for every participating employer that employs the member before  
438 the member's retirement date and provides evidence of the termination;

439 (b) the member has submitted to the office a notarized retirement application form that  
440 states the member's proposed retirement date; and

441 (c) one of the following conditions is met as of the member's retirement date:

442 (i) the member has accrued at least four years of service credit and has attained an age  
443 of 65 years;

444 (ii) the member has accrued at least 10 years of service credit and has attained an age  
445 of 62 years;

446 (iii) the member has accrued at least 20 years of service credit and has attained an age  
447 of 60 years; or

448 (iv) the member has accrued at least 35 years of service credit.

449 (2) (a) The member's retirement date:

450 (i) shall be the 1st or the 16th day of the month, as selected by the member;

451 (ii) shall be on or after the date of termination; and

452 (iii) may not be more than 90 days before or after the date the application is received by  
453 the office.

454 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
455 participating employer in the system established by this chapter on the retirement date selected  
456 under Subsection (2)(a)(i).

457 (3) (a) A member who is employed by a participating employer and who is also an  
458 elected official is not required to cease service as an elected official to be qualified to receive  
459 an allowance under Subsection (1), unless the member is retiring from service as an elected  
460 official.

461 (b) A member who is employed by a participating employer and who is also a part-time  
462 appointed board member is not required to cease service as a part-time appointed board  
463 member to be qualified to receive an allowance under Subsection (1).

464 Section 8. Section **49-23-303** is amended to read:

465 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**  
466 **Qualifications.**

467 (1) A member is qualified to receive an allowance from this system when:

468 (a) [~~before the member's retirement date~~] except as provided under Subsection (3), the  
469 member ceases actual work for every participating employer that employs the member before  
470 the member's retirement date and provides evidence of the termination;

471 (b) the member has submitted to the office a notarized retirement application form that  
472 states the member's proposed retirement date; and

473 (c) one of the following conditions is met as of the member's retirement date:

474 (i) the member has accrued at least four years of service credit and has attained an age  
475 of 65 years;

476 (ii) the member has accrued at least 10 years of service credit and has attained an age  
477 of 62 years;

478 (iii) the member has accrued at least 20 years of service credit and has attained an age  
479 of 60 years; or

480 (iv) the member has accrued at least 25 years of service credit.

481 (2) (a) The member's retirement date:

482 (i) shall be the 1st or the 16th day of the month, as selected by the member;

483 (ii) shall be on or after the date of termination; and

484 (iii) may not be more than 90 days before or after the date the application is received by  
485 the office.

486 (b) [~~A~~] Except as provided under Subsection (3), a member may not be employed by a  
487 participating employer in the system established by this chapter on the retirement date selected  
488 under Subsection (2)(a)(i).

489 (3) (a) A member who is employed by a participating employer and who is also an  
490 elected official is not required to cease service as an elected official to be qualified to receive  
491 an allowance under Subsection (1), unless the member is retiring from service as an elected



492 official.

493 (b) A member who is employed by a participating employer and who is also a part-time  
494 appointed board member is not required to cease service as a part-time appointed board  
495 member to be qualified to receive an allowance under Subsection (1).

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**Legislative Review Note**  
as of 8-15-12 12:53 PM

**Office of Legislative Research and General Counsel**