

Wayne A. Harper proposes the following substitute bill:

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**Retirement Amendments**  
2025 GENERAL SESSION  
STATE OF UTAH

**Chief Sponsor: Cheryl K. Acton**  
Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the Utah State Retirement and Insurance Benefit Act.

**Highlighted Provisions:**

This bill:

- modifies record retention requirements for a participating employer in the Utah

Retirement Systems;

- amends provisions relating to an entity eligible to withdraw from participation in the Utah

Retirement Systems; and

- repeals a section that allows PEHP Health and Benefits to implement a prescribing policy for certain opioid prescriptions.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**49-11-602 (Effective 07/01/25)**, as last amended by Laws of Utah 2024, Chapter 421

**49-11-623 (Effective 07/01/25)**, as last amended by Laws of Utah 2015, Chapter 364

**49-11-626 (Effective 07/01/25)**, as last amended by Laws of Utah 2023, Chapter 512

REPEALS:

**49-20-415**, as last amended by Laws of Utah 2024, Chapter 381

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

Section 1. Section **49-11-602** is amended to read:

**49-11-602 (Effective 07/01/25). Participating employer to maintain records --**

**Time limit -- Penalties for failure to comply.**

- 30 (1) A participating employer shall:
- 31 (a) maintain records necessary to calculate benefits under this title and other records  
32 necessary for proper administration of this title as required by the office; and
- 33 (b) maintain records that indicate whether an employee is receiving:
- 34 (i) a benefit under state or federal law that, under Subsection 49-12-102(1)(b)(vi) or  
35 (vii), is excluded from the definition of benefits normally provided for purposes of  
36 Chapter 12, Public Employees' Contributory Retirement Act, Chapter 13, Public  
37 Employees' Noncontributory Retirement Act, or Chapter 22, New Public  
38 Employees' Tier II Contributory Retirement Act; or
- 39 (ii) a benefit under a benefit package generally offered to similarly situated  
40 employees.
- 41 (2) A participating employer shall maintain all records necessary to support the  
42 participating employer's reports and certifications required by Section 49-11-603.
- 43 (3) A participating employer shall maintain the records required under Subsections (1) and  
44 (2) until the earliest of:
- 45 (a) [~~three~~] four years after the date of retirement of the employee from a system or plan;  
46 (b) [~~three~~] four years after the date of death of the employee; or  
47 (c) 65 years from the date of employment with the participating employer.
- 48 (4) A participating employer shall be liable to the office for:
- 49 (a) any liabilities and expenses, including administrative expenses and the cost of  
50 increased benefits to members, resulting from the participating employer's failure to  
51 maintain records under this section; and
- 52 (b) a penalty equal to 1% of the participating employer's last month's contributions.
- 53 (5) The executive director may waive all or any part of the interest, penalties, expenses, and  
54 fees if the executive director finds there were extenuating circumstances surrounding the  
55 participating employer's failure to comply with this section.
- 56 (6) The office may estimate the length of service, compensation, or age of any member, if  
57 that information is not contained in the records.
- 58 (7)(a) A participating employer shall enroll an employee, make reports, submit  
59 contributions, and provide other requested information electronically in a manner  
60 approved by the office.
- 61 (b) A participating employer shall treat any information provided electronically or  
62 otherwise by the office as subject to the confidentiality provisions of this title.
- 63 Section 2. Section **49-11-623** is amended to read:

64           **49-11-623 (Effective 07/01/25). Withdrawing entity -- Participation election date**  
65 **-- Withdrawal costs -- Rulemaking.**

- 66 (1) As used in this section, "withdrawing entity" means an entity that:
- 67       (a) participates in a system or plan under this title prior to July 1, 2014;
  - 68       (b) provides mental health and substance abuse services for a county under Section
  - 69           17-50-318;
  - 70       (c) after beginning participation with a system or plan under this title, has modified its
  - 71           federal tax status to a nonprofit organization that qualifies under Section 501(c)[(3)]
  - 72           of the Internal Revenue Code; and
  - 73       (d) is not a state institution of higher education as described in Section 53B-2-101.
- 74 (2) Notwithstanding any other provision of this title, a withdrawing entity may provide for
- 75 the participation of its employees with that system or plan as follows:
- 76       (a) the withdrawing entity shall determine a date that is no later than January 1, 2017, on
  - 77           which the withdrawing entity shall make an election under Subsection (3); and
  - 78       (b) subject to the provisions of Subsection (6), the withdrawing entity shall pay to the
  - 79           office any reasonable actuarial and administrative costs determined by the office to
  - 80           have arisen out of an election made under this section, including an actuarially
  - 81           determined short-fall liability contribution and a contingency payment to provide
  - 82           financial protection to the remaining participating employers.
- 83 (3) The withdrawing entity described under Subsection (2) may elect to:
- 84       (a)(i) continue its participation for all current employees of the withdrawing entity,
  - 85           who are covered by a system or plan as of the date set under Subsection (2)(a); and
  - 86       (ii) withdraw from participation in all systems or plans for all persons initially
  - 87           entering employment with the withdrawing entity, beginning on the date set under
  - 88           Subsection (2)(a); or
  - 89       (b) withdraw from participation in all systems or plans for all current and future
  - 90           employees of the withdrawing entity, beginning on the date set under Subsection
  - 91           (2)(a).
- 92 (4)(a) An election provided under Subsection (3):
- 93       (i) is a one-time election made no later than the date specified under Subsection (2)(a);
  - 94       (ii) shall be documented by a resolution adopted by the governing body of the
  - 95           withdrawing entity;
  - 96       (iii) is irrevocable; and
  - 97       (iv) applies to the withdrawing entity as the employer and to all employees of the

98                   withdrawing entity.

99           (b) Notwithstanding an election made under Subsection (3), any eligibility for service  
100           credit earned by an employee under this title before the date specified under  
101           Subsection (2)(a) is not affected by this section.

102   (5) If a withdrawing entity elects to continue participation under Subsection (3), the  
103       withdrawing entity shall continue to be subject to the laws and the rules governing the  
104       system or plan in which an employee participates, including the accrual of service credit  
105       and payment of contributions.

106   (6) Before a withdrawing entity may withdraw under this section, the withdrawing entity  
107       and the office shall enter into an agreement on:

108       (a) the costs described under Subsection (2)(b); and

109       (b) arrangements for the payment of the costs described under Subsection (2)(b).

110   (7) The board shall make rules to implement this section.

111       Section 3. Section **49-11-626** is amended to read:

112           **49-11-626 (Effective 07/01/25). Withdrawing entity -- Participation election date**  
113   **-- Withdrawal costs -- Rulemaking.**

114   (1) As used in this section, "withdrawing entity" means an entity that:

115       (a) participates in a system or plan under this title before January 1, 2023; and

116       (b)(i) is a public employees' association;

117           (ii) is an insurer that is subject to the disclosure requirements of Section 31A-4-113;

118           or

119       (iii) after beginning participation with a system or plan under this title, has modified  
120       the entity's federal tax status to a nonprofit organization that qualified under  
121       Section 501(c)(~~3~~) of the Internal Revenue Code.

122   (2) Notwithstanding any other provision of this title, a withdrawing entity may provide for  
123       the participation of the withdrawing entity's employees with that system or plan as  
124       follows:

125       (a) the withdrawing entity shall determine a date that is no later than July 1, [~~2025~~] 2028,  
126       on which the withdrawing entity shall make an election and complete withdrawal  
127       under Subsection (3);

128       (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's  
129       intent to enter into an agreement described in Subsection (2)(c);

130       (c) the withdrawing entity and the office may enter into an intent to withdraw agreement  
131       to document a good faith arrangement to complete a withdrawal under this section;

- 132 and
- 133 (d) subject to Subsection (6), the withdrawing entity shall pay to the office any
- 134 reasonable actuarial and administrative costs determined by the office to have arisen
- 135 out of an election made under this section, including an actuarially determined
- 136 short-fall liability contribution and a contingency payment to provide financial
- 137 protection to the remaining participating employers.
- 138 (3) The withdrawing entity may elect to:
- 139 (a)(i) continue the withdrawing entity's participation for all current employees of the
- 140 withdrawing entity, who are covered by a system or plan on the date set under
- 141 Subsection (2)(a); and
- 142 (ii) withdraw from participation in all systems and plans for all persons initially
- 143 entering employment with the withdrawing entity, beginning on the date set under
- 144 Subsection (2)(a); or
- 145 (b) withdraw from participation in all systems or plans for all current and future
- 146 employees of the withdrawing entity, beginning on the date set under Subsection
- 147 (2)(a).
- 148 (4)(a) An election made under Subsection (3):
- 149 (i) shall be made on or before the date specified under Subsection (2)(a);
- 150 (ii) shall be documented by a resolution adopted by the governing body of the
- 151 withdrawing entity;
- 152 (iii) remains in effect unless and until the withdrawing entity again becomes a
- 153 participating employer with the office in accordance with Subsection (5); and
- 154 (iv) applies to the withdrawing entity as the employer and to all employees of the
- 155 withdrawing entity.
- 156 (b) Notwithstanding an election made under Subsection (3), any eligibility for service
- 157 credit earned by an employee under this title before the date specified under
- 158 Subsection (2)(a) is not affected by this section.
- 159 (c) Notwithstanding any other provision of this title, a withdrawing entity that makes an
- 160 election under Subsection (3) may provide or participate in any type of public or
- 161 private retirement for the withdrawing entity's employees after the withdrawal.
- 162 (5) After the withdrawal and subject to the laws and rules governing participating employer
- 163 admission, the withdrawing entity may elect, by resolution of the withdrawing entity's
- 164 governing body, to resume participation with the office and apply for admission as a
- 165 participating employer in a system or plan under this title.

166 (6) Before a withdrawing entity may withdraw under this section, the withdrawing entity  
167 and the office shall enter into an agreement on:

168 (a) the costs described under Subsection (2)(d); and

169 (b) arrangements for the payment of the costs described under Subsection (2)(d).

170 Section 4. **Repealer.**

171 This bill repeals:

172 Section **49-20-415, Prescribing policies for certain opioid prescriptions.**

173 Section 5. **Effective date.**

174 This bill takes effect on July 1, 2025.