

POSTRETIREMENT REEMPLOYMENT AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kera Birkeland

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the postretirement reemployment restrictions for a retiree who was a public safety service employee or a teacher.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides the circumstances under which a retiree who was a public safety service employee or a teacher immediately before retirement may be reemployed with a participating employer within the one-year separation period without cancellation of the retiree's retirement allowance; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

49-11-1202, as last amended by Laws of Utah 2020, Chapter 449

49-11-1205, as last amended by Laws of Utah 2021, Chapter 193

49-11-1206, as enacted by Laws of Utah 2016, Chapter 310 and last amended by



28 Coordination Clause, Laws of Utah 2016, Chapter 310
29 [49-11-1207](#), as last amended by Laws of Utah 2022, Chapter 171



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

32 Section 1. Section **49-11-1202** is amended to read:

33 **49-11-1202. Definitions.**

34 As used in this part:

35 (1) (a) "Affiliated emergency services worker" means a person who:

36 (i) is employed by a participating employer;

37 (ii) performs emergency services for another participating employer that is a different
38 agency;

39 (iii) is trained in techniques and skills required for the emergency service;

40 (iv) continues to receive regular training required for the service;

41 (v) is on the rolls as a trained affiliated emergency services worker of the participating
42 employer; and

43 (vi) provides ongoing service for a participating employer, which service may include
44 service as a volunteer firefighter, reserve law enforcement officer, search and rescue worker,
45 emergency medical technician, ambulance worker, park ranger, or public utilities worker.

46 (b) "Affiliated emergency services worker" does not include a person who performs
47 work or service but does not meet the requirements of Subsection (1)(a).

48 (2) "Amortization rate" means the amortization rate, as defined in Section [49-11-102](#),
49 to be applied to the system that would have covered the retiree if the retiree's reemployed
50 position were deemed to be an eligible, full-time position within that system.

51 (3) "Part-time appointed or elected board member" means an individual who:

52 (a) serves in a position:

53 (i) as a member of a board, commission, council, committee, panel, or other body of a
54 participating employer; and

55 (ii) that is designated in the participating employer's governing statute, charter, creation
56 document, or similar document;

57 (b) is appointed or elected to the position for a definite and fixed term of office by
58 official and duly recorded action of the participating employer;

59 (c) except for the service in the position, does not perform other work or service for
60 compensation for the participating employer, whether as an employee or under a contract; and

61 (d) retires from a participating employer that is different than the participating
62 employer with the position in which the person serves.

63 (4) "Qualifying retiree" means a retiree who:

64 (a) is, at the time of retirement, a public safety service employee as defined in Section
65 49-14-102 and retires from the system described in Chapter 14, Public Safety Contributory
66 Retirement Act;

67 (b) is, at the time of retirement, a public safety service employee as defined in Section
68 49-15-102 and retires from the system described in Chapter 15, Public Safety Noncontributory
69 Retirement Act;

70 (c) is, at the time of retirement, a public safety service employee as defined in Section
71 49-23-102 and retires from the system described in Chapter 23, New Public Safety and
72 Firefighter Tier II Contributory Retirement Act; or

73 (d) is, at the time of retirement, a teacher and retires from one of the following
74 retirement systems:

75 (i) Chapter 12, Public Employees' Contributory Retirement Act;

76 (ii) Chapter 13, Public Employees' Noncontributory Retirement Act; or

77 (iii) Chapter 22, New Public Employees' Tier II Contributory Retirement Act.

78 [(4)] (5) (a) "Reemployed," "reemploy," or "reemployment" means work or service
79 performed for a participating employer after retirement, in exchange for compensation.

80 (b) [Reemployment] "Reemployed," "reemploy," or "reemployment" includes work or
81 service performed on a contract for a participating employer if the retiree is:

82 (i) listed as the contractor; or

83 (ii) an owner, partner, or principal of the contractor.

84 [(5)] (6) "Retiree":

85 (a) means a person who:

86 (i) retired from a participating employer; and

87 (ii) begins reemployment on or after July 1, 2010, with a participating employer; and

88 (b) does not include a person:

89 (i) (A) who was reemployed by a participating employer before July 1, 2010; and

90 (B) whose participating employer that reemployed the person under Subsection
91 ~~[(5)(b)(i)(A)]~~ (6)(b)(i)(A) was dissolved, consolidated, merged, or structurally changed in
92 accordance with Section 49-11-621 on or after July 1, 2010; or

93 (ii) who is working under a phased retirement agreement in accordance with ~~[Title 49;~~
94 ~~Chapter 11, Part 13, Phased Retirement]~~ Part 13, Phased Retirement.

95 (7) "Teacher" means an individual employed by a school district or a charter school
96 who is required to hold an educator license issued by the state board and who has an
97 assignment to teach in a classroom.

98 Section 2. Section 49-11-1205 is amended to read:

99 **49-11-1205. Postretirement reemployment restriction exceptions.**

100 (1) (a) The office may not cancel the retirement allowance of a retiree who is
101 reemployed with a participating employer within one year of the retiree's retirement date if:

102 (i) the retiree is not reemployed by a participating employer for a period of at least 60
103 days from the retiree's retirement date;

104 (ii) upon reemployment after the break in service under Subsection (1)(a)(i), the retiree
105 does not receive any employer paid benefits, including:

106 (A) retirement service credit or retirement-related contributions;

107 (B) medical benefits;

108 (C) dental benefits;

109 (D) other insurance benefits except for workers' compensation as provided under Title
110 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease
111 Act, and withholdings required by federal or state law for social security, Medicare, and
112 unemployment insurance; or

113 (E) paid time off, including sick, annual, or other type of leave; and

114 (iii) (A) the retiree ~~[does not earn]~~ earns in any calendar year of reemployment an
115 amount ~~[in excess of]~~ that is no more than the lesser of \$15,000 or one-half of the retiree's final
116 average salary upon which the retiree's retirement allowance is based; or

117 (B) the retiree is reemployed as a judge as defined under Section 78A-11-102.

118 (b) The board shall adjust the amounts under Subsection (1)(a)(iii) by the annual
119 change in the Consumer Price Index during the previous calendar year as measured by a United
120 States Bureau of Labor Statistics Consumer Price Index average as determined by the board.

121 (2) A retiree shall be considered as having completed the one-year separation from
122 employment with a participating employer required under Section 49-11-1204, if the retiree:

123 (a) before retiring:

124 (i) was employed with a participating employer as a public safety service employee as
125 defined in Section 49-14-102, 49-15-102, or 49-23-102;

126 (ii) during the employment under Subsection (2)(a)(i), suffered a physical injury
127 resulting from external force or violence while performing the duties of the employment, for
128 which injury the retiree would have been approved for total disability in accordance with the
129 provisions under Chapter 21, Public Employees' Long-Term Disability Act, if years of service
130 are not considered;

131 (iii) had less than 30 years of service credit but had sufficient service credit to retire,
132 with an unreduced allowance making the public safety service employee ineligible for
133 long-term disability payments under Chapter 21, Public Employees' Long-Term Disability Act,
134 or a substantially similar long-term disability program;

135 (iv) does not receive any long-term disability benefits from any participating employer;
136 and

137 (v) is at least 50 years old; and

138 (b) is reemployed by a different participating employer.

139 (3) (a) The office may not cancel the retirement allowance of a retiree who is employed
140 as an affiliated emergency services worker within one year of the retiree's retirement date if the
141 affiliated emergency services worker does not receive any compensation, except for:

142 (i) a nominal fee, stipend, discount, tax credit, voucher, or other fixed sum of money or
143 cash equivalent payment not tied to productivity and paid periodically for services;

144 (ii) a length-of-service award;

145 (iii) insurance policy premiums paid by the participating employer in the event of death
146 of an affiliated emergency services worker or a line-of-duty accidental death or disability; or

147 (iv) reimbursement of expenses incurred in the performance of duties.

148 (b) For purposes of Subsections (3)(a)(i) and (ii), the total amount of any discounts, tax
149 credits, vouchers, and payments to an affiliated emergency services worker may not exceed
150 \$500 per month.

151 (c) The board shall adjust the amount under Subsection (3)(b) by the annual change in

152 the Consumer Price Index during the previous calendar year as measured by a United States
153 Bureau of Labor Statistics Consumer Price Index average as determined by the board.

154 (d) A retiree is eligible for an exemption from the requirement to cease service without
155 cancellation of a retirement allowance under this Subsection (3) only if the retiree, at the time
156 of retirement, is at least:

157 (i) 50 years old, if the retiree is retiring from a public safety system or a firefighter
158 system; or

159 (ii) 55 years old.

160 (4) (a) The office may not cancel the retirement allowance of a retiree employed as a
161 part-time appointed or elected board member within one year after the retiree's retirement date
162 if the part-time appointed or elected board member does not receive any compensation
163 exceeding the amount described in this Subsection (4).

164 (b) A retiree who is a part-time appointed or elected board member for one or more
165 boards, commissions, councils, committees, panels, or other bodies of participating employers:

166 (i) may receive an aggregate amount of compensation, remuneration, a stipend, or other
167 benefit for service on a single or multiple boards, commissions, councils, committees, panels,
168 or other bodies of no more than \$5,000 per year; and

169 (ii) may not receive an employer paid retirement service credit or retirement-related
170 contribution.

171 (c) For purposes of Subsection (4)(b)(i):

172 (i) a part-time appointed or elected board member's compensation includes:

173 (A) an amount paid for the part-time appointed or elected board member's coverage in
174 a group insurance plan provided by the participating employer; and

175 (B) the part-time appointed or elected board member's receipt of any other benefit
176 provided by the participating employer; and

177 (ii) the part-time appointed or elected board member's compensation does not include:

178 (A) an amount the participating employer pays for employer-matching employment
179 taxes, if the participating employer treats the part-time appointed or elected board member as
180 an employee for federal tax purposes; or

181 (B) an amount that the part-time appointed or elected board member receives for per
182 diem and travel expenses for up to 12 approved meetings or activities of the government board

183 per year, if the per diem and travel expenses do not exceed the amounts established by the
184 Division of Finance under Sections 63A-3-106 and 63A-3-107 or by rules made by the
185 Division of Finance according to Sections 63A-3-106 and 63A-3-107.

186 (d) The board shall adjust the amount under Subsection (4)(b)(i) by the annual change
187 in the Consumer Price Index during the previous calendar year as measured by a United States
188 Bureau of Labor Statistics Consumer Price Index average, as determined by the board.

189 (5) The office may not cancel the retirement allowance of a qualifying retiree who is
190 reemployed with a participating employer within one year of the qualifying retiree's retirement
191 date if:

192 (a) the qualifying retiree is not reemployed by a participating employer for a period of
193 at least 60 days from the qualifying retiree's retirement date;

194 (b) upon reemployment after the break in service under Subsection (5)(a), the
195 qualifying retiree does not receive any employer paid benefits, including:

196 (i) retirement service credit or retirement-related contributions;

197 (ii) medical benefits;

198 (iii) dental benefits;

199 (iv) other insurance benefits except for workers' compensation as provided under Title
200 34A, Chapter 2, Workers' Compensation Act, Title 34A, Chapter 3, Utah Occupational Disease
201 Act, and withholdings required by federal or state law for social security, Medicare, and
202 unemployment insurance; or

203 (v) paid time off, including sick, annual, or other types of leave; and

204 (c) the qualifying retiree is reemployed under one of the following circumstances:

205 (i) as a teacher who teaches less than half time during a school year;

206 (ii) as a firefighter service employee who works fewer than 1,040 hours of regularly
207 scheduled firefighter service per year;

208 (iii) as a public safety service employee who works fewer than 1,040 hours of regularly
209 scheduled public safety service per year; or

210 (iv) as an employee in any other position who works fewer than 20 hours per week.

211 ~~[(5)]~~ (6) (a) If a retiree is reemployed under the provisions of Subsection (1), ~~[or]~~ (4),
212 or (5), the termination date of the reemployment, as confirmed in writing by the participating
213 employer, is considered the retiree's retirement date for the purpose of calculating the

214 separation requirement under Section [49-11-1204](#).

215 (b) The office shall cancel the retirement allowance of a retiree for the remainder of the
216 calendar year if the reemployment with a participating employer exceeds the dollar limitation
217 under Subsection (1)(a)(iii), (3)(b), or (4)(b) or the hour limitation under Subsection (5)(c).

218 Section 3. Section **49-11-1206** is amended to read:

219 **49-11-1206. Notice of postretirement reemployment.**

220 (1) A participating employer shall immediately notify the office:

221 (a) if the participating employer reemploys a retiree;

222 (b) whether the reemployment is subject to Section [49-11-1204](#) or Subsection
223 [49-11-1205](#)(1), (2), ~~or~~ (3), or (5); and

224 (c) of any election by the retiree under Section [49-11-1204](#).

225 (2) A participating employer shall certify to the office whether the position of an
226 elected official is or is not full time.

227 (3) A retiree subject to this part shall report to the office the status of the reemployment
228 under Section [49-11-1204](#) or [49-11-1205](#).

229 Section 4. Section **49-11-1207** is amended to read:

230 **49-11-1207. Postretirement reemployment -- Violations -- Penalties.**

231 (1) (a) If the office receives notice or learns of the reemployment of a retiree in
232 violation of Section [49-11-1204](#) or [49-11-1205](#), the office shall:

233 (i) immediately cancel the retiree's retirement allowance;

234 (ii) keep the retiree's retirement allowance cancelled for the remainder of the calendar
235 year if the reemployment with a participating employer exceeded the dollar limitation under
236 Subsection [49-11-1205](#)(1)(a)(iii)(A), (3)(b), or (4)(b) or the hour limitation under Subsection
237 [49-11-1205](#)(5)(c); and

238 (iii) recover any overpayment resulting from the violation in accordance with the
239 provisions of Section [49-11-607](#) before the allowance may be reinstated.

240 (b) Reinstatement of an allowance following cancellation for a violation under this
241 section is subject to the procedures and provisions under Section [49-11-1204](#).

242 (2) If a retiree or participating employer failed to report reemployment in violation of
243 Section [49-11-1206](#), the retiree, participating employer, or both, who are found to be
244 responsible for the failure to report, are liable to the office for the amount of any overpayment

245 resulting from the violation.

246 (3) A participating employer is liable to the office for a payment or failure to make a
247 payment in violation of this part.

248 (4) If a participating employer fails to notify the office in accordance with Section
249 [49-11-1206](#), the participating employer is immediately subject to a compliance audit by the
250 office.

251 Section 5. **Effective date.**

252 This bill takes effect on January 1, 2024.