

1 **RETIREMENT ELIGIBILITY AMENDMENTS**

2 2013 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Todd Weiler**

5 House Sponsor: Don L. Ipson

7 **LONG TITLE**

8 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

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

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

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

22 ▶ makes technical changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **49-11-102**, as last amended by Laws of Utah 2012, Chapter 298

- 30 **49-12-401**, as last amended by Laws of Utah 2011, Chapter 439
 - 31 **49-13-401**, as last amended by Laws of Utah 2011, Chapter 439
 - 32 **49-14-401**, as last amended by Laws of Utah 2011, Chapter 439
 - 33 **49-15-401**, as last amended by Laws of Utah 2011, Chapter 439
 - 34 **49-16-401**, as last amended by Laws of Utah 2011, Chapter 439
 - 35 **49-22-304**, as last amended by Laws of Utah 2011, Chapter 439
 - 36 **49-23-303**, as last amended by Laws of Utah 2011, Chapter 439
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38 *Be it enacted by the Legislature of the state of Utah:*

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

40 **49-11-102. Definitions.**

41 As used in this title:

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

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

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

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

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

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

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

54 (iii) a state college or university; or

55 (iv) any other participating employer.

56 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a
57 subdivision of another entity listed under Subsection (4)(a).

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

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

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

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

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

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

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

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

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

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

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

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

86 (11) "Beneficiary" means any person entitled to receive a payment under this title
87 through a relationship with or designated by a member, participant, covered individual, or
88 alternate payee of a defined contribution plan.

89 (12) "Board" means the Utah State Retirement Board established under Section
90 49-11-202.

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

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

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

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

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

103 (18) "Current service" means covered service as defined in Chapters 12, 13, 14, 15, 16,
104 17, 18, and 19.

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

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

112 (20) "Defined contribution" or "defined contribution plan" means any defined
113 contribution plan or deferred compensation plan authorized under the Internal Revenue Code

114 and administered by the board.

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

118 (a) the State Board of Education and its instrumentalities;

119 (b) any institution of higher education and its branches;

120 (c) any school district and its instrumentalities;

121 (d) any vocational and technical school; and

122 (e) any entity arising out of a consolidation agreement between entities described under
123 this Subsection (21).

124 (22) "Elected official":

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

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

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

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

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

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

137 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203,
138 49-14-203, 49-15-203, or 49-16-203; and

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

141 (25) "Final average monthly salary" means the amount computed by dividing the

142 compensation received during the final average salary period under each system by the number
143 of months in the final average salary period.

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

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

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

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

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

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

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

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

157 and

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

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

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

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

168 (30) "Member contributions" means the sum of the contributions paid to a system or
169 the Utah Governors' and Legislators' Retirement Plan, including refund interest if allowed by a

170 system, and which are made by:

171 (a) the member; and

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

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

176 (32) "Normal cost rate":

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

179 (b) is determined by the actuary based on the assumed rate of return established by the
180 board.

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

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

184 (35) "Participating employer" means a participating employer, as defined by Chapter
185 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
186 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
187 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
188 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18, Judges'
189 Noncontributory Retirement Act, or an agency financed in whole or in part by public funds
190 which is participating in a system or plan as of January 1, 2002.

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

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

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

196 [~~36~~] (37) "Pension" means monthly payments derived from participating employer
197 contributions.

198 [~~(37)~~] (38) "Plan" means the Utah Governors' and Legislators' Retirement Plan created
199 by Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public Employees'
200 Tier II Defined Contribution Plan created by Chapter 22, Part 4, Tier II Defined Contribution
201 Plan, the New Public Safety and Firefighter Tier II Defined Contribution Plan created by
202 Chapter 23, Part 4, Tier II Defined Contribution Plan, or the defined contribution plans created
203 under Section 49-11-801.

204 [~~(38)~~] (39) (a) "Political subdivision" means any local government entity, including
205 cities, towns, counties, and school districts, but only if the subdivision is a juristic entity that is
206 legally separate and distinct from the state and only if its employees are not by virtue of their
207 relationship to the entity employees of the state.

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

210 (c) "Political subdivision" does not include a project entity created under Title 11,
211 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.

212 [~~(39)~~] (40) "Program" means the Public Employees' Insurance Program created under
213 Chapter 20, Public Employees' Benefit and Insurance Program Act, or the Public Employees'
214 Long-Term Disability program created under Chapter 21, Public Employees' Long-Term
215 Disability Act.

216 [~~(40)~~] (41) "Public funds" means those funds derived, either directly or indirectly, from
217 public taxes or public revenue, dues or contributions paid or donated by the membership of the
218 organization, used to finance an activity whose objective is to improve, on a nonprofit basis,
219 the governmental, educational, and social programs and systems of the state or its political
220 subdivisions.

221 [~~(41)~~] (42) "Qualified defined contribution plan" means a defined contribution plan
222 that meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue Code.

223 [~~(42)~~] (43) (a) "Reemployed," "reemploy," or "reemployment" means work or service
224 performed after retirement, in exchange for compensation.

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

226 (i) listed as the contractor; or

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

228 [~~(43)~~] (44) "Refund interest" means the amount accrued on member contributions at a
229 rate adopted by the board.

230 [~~(44)~~] (45) "Retiree" means an individual who has qualified for an allowance under this
231 title.

232 [~~(45)~~] (46) "Retirement" means the status of an individual who has become eligible,
233 applies for, and is entitled to receive an allowance under this title.

234 [~~(46)~~] (47) "Retirement date" means the date selected by the member on which the
235 member's retirement becomes effective with the office.

236 [~~(47)~~] (48) "Retirement related contribution":

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

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

241 [~~(48)~~] (49) "Service credit" means:

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

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

247 [~~(49)~~] (50) "System" means the individual retirement systems created by Chapter 12,
248 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
249 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
250 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
251 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'
252 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators' Retirement
253 Act, the defined benefit portion of the Tier II Hybrid Retirement System under Chapter 22, Part

254 3, Tier II Hybrid Retirement System, and the defined benefit portion of the Tier II Hybrid
255 Retirement System under Chapter 23, Part 3, Tier II Hybrid Retirement System.

256 [~~(50)~~] (51) "Tier I" means a system or plan under this title for which an employee is
257 eligible to participate if the employee initially enters regular full-time employment before July
258 1, 2011.

259 [~~(51)~~] (52) (a) "Tier II" means a system or plan under this title provided in lieu of a
260 Tier I system or plan for which an employee is eligible to participate, if the employee initially
261 enters regular full-time employment on or after July 1, 2011.

262 (b) "Tier II" includes:

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

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

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

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

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

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

269 [~~(52)~~] (53) "Unfunded actuarial accrued liability" or "UAAL":

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

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

273 [~~(53)~~] (54) "Voluntary deferrals" means an amount contributed by a participant into
274 that participant's defined contribution account.

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

276 **49-12-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

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

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

281 (b) the member has submitted to the office a notarized retirement application form that

282 states the member's proposed retirement date; and

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

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

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

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

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

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

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

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

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

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

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

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

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

307 **49-13-401. Eligibility for an allowance -- Date of retirement -- Qualifications.**

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

309 (a) except as provided under Subsection (3), the member ceases actual work for every

310 participating employer that employs the member before the member's retirement date and
311 provides evidence of the termination;

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

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

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

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

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

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

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

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

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

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

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

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

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

336 (b) A member who is employed by a participating employer and who is also a part-time
337 appointed board member is not required to cease service as a part-time appointed board

338 member to be qualified to receive an allowance under Subsection (1).

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

340 **49-14-401. Eligibility for service retirement -- Date of retirement --**

341 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

370 **49-15-401. Eligibility for service retirement -- Date of retirement --**
371 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

392 (3) (a) A member who is employed by a participating employer and who is also an
393 elected official is not required to cease service as an elected official to be qualified to receive

394 an allowance under Subsection (1), unless the member is retiring from service as an elected
395 official.

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

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

400 **49-16-401. Eligibility for service retirement -- Date of retirement --**

401 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

422 under Subsection (2)(a)(i).

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

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

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

431 **49-22-304. Defined benefit eligibility for an allowance -- Date of retirement --**
432 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

463 **49-23-303. Defined benefit eligibility for an allowance -- Date of retirement --**
464 **Qualifications.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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