

Senator Wayne A. Harper proposes the following substitute bill:

UTAH STATE RETIREMENT SYSTEMS REVISIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Cheryl K. Acton

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ modifies a defined term referencing the Utah State Retirement Investment Fund to reflect the fund name;
- ▶ requires a participating employer to maintain records supporting certifications and reports regarding employee service credit;
- ▶ provides a participating employer's liability for failing to comply with contribution, record keeping, reporting, and certification requirements;
- ▶ provides a participating employer's maximum penalty for failing to make contributions, retain records, or correctly report or certify eligibility;
- ▶ requires, in an appeal, that the Utah State Retirement Board review a hearing officer's final judgment or decision;
- ▶ clarifies that a career retirement benefit awarded to a surviving spouse is in addition to a death benefit; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **49-11-306**, as last amended by Laws of Utah 2011, Chapter 352

32 **49-11-602**, as last amended by Laws of Utah 2017, Chapter 141

33 **49-11-604**, as last amended by Laws of Utah 2018, Chapter 10

34 **49-11-613**, as last amended by Laws of Utah 2023, Chapter 37

35 **49-12-405**, as last amended by Laws of Utah 2016, Chapter 84

36 **49-13-405**, as last amended by Laws of Utah 2016, Chapter 84

37 **49-22-502**, as last amended by Laws of Utah 2016, Chapter 84

38 **49-23-502**, as last amended by Laws of Utah 2016, Chapter 84



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

41 Section 1. Section **49-11-306** is amended to read:

42 **49-11-306. Definitions -- Scrutinized companies investment report -- Content --**

43 **Reporting -- Exceptions.**

44 (1) As used in this section:

45 (a) "Active business operations" means all business operations that are not inactive
46 business operations.

47 (b) (i) "Business operations" means investing, with actual knowledge on or after
48 August 5, 1996, in Iran's petroleum sector which investment directly and significantly
49 contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran.

50 (ii) "Business operations" does not include the retail sale of gasoline and related
51 consumer products.

52 (c) "Company" means any foreign sole proprietorship, organization, association,
53 corporation, partnership, joint venture, limited partnership, limited liability partnership, limited
54 liability company, or any other foreign entity or business association, including all
55 wholly-owned subsidiaries, majority-owned subsidiaries or parent companies or affiliates of
56 these entities or business associations, that exists for the purpose of making a profit.

57 (d) (i) "Direct holdings" means all publicly traded equity securities of a company that
58 are held directly by the ~~[public]~~ investment fund or in an account or fund in which the ~~[public]~~
59 investment fund owns all shares or interests.

60 (ii) "Direct holdings" does not include publicly traded equity securities of a company
61 held as part of a passive indexing investment strategy.

62 (e) "Inactive business operations" means the continued holding or renewal of rights to
63 property previously operated for the purpose of generating revenues but not presently deployed
64 for that purpose.

65 (f) "Investment fund" means the Utah State Retirement Investment Fund created in
66 Section 49-11-301.

67 ~~[(f)]~~ (g) "Iran" means the Islamic Republic of Iran.

68 ~~[(g)]~~ (h) "Petroleum resources" means petroleum or natural gas.

69 ~~[(h)]~~ "Public fund" means the Utah State Retirement Investment Fund created under
70 Section 49-11-301.]

71 (i) "Scrutinized business operations" means any active business operations that:

72 (i) are subject to or liable for sanctions under Public Law 104-172, the Iran Sanctions
73 Act of 1996, as amended; and

74 (ii) involve the maintenance of:

75 (A) the company's existing assets or investments in Iran; or

76 (B) the deployment of new investments to Iran that meet or exceed the threshold
77 referred to in Public Law 104-172, the Iran Sanctions Act of 1996, as amended.

78 (j) "Scrutinized company" means any company engaging in scrutinized business
79 operations.

80 (2) (a) (i) The Utah State Retirement Office shall identify ~~[those]~~ the scrutinized
81 companies in which the ~~[public]~~ investment fund has direct holdings.

82 (ii) In making the determination, the board shall review and rely on publicly available
83 information regarding companies with business operations in Iran, including information
84 provided by nonprofit organizations, research firms, international organizations, and
85 government entities.

86 (b) The office shall assemble a list of all identified scrutinized companies.

87 (c) The office shall update the list, on an annual basis, with information provided and

88 received from those entities listed in Subsection (2)(a).

89 (3) The office shall prepare an annual report of [~~public~~] investment fund investments in
90 scrutinized companies.

91 (4) The report shall include amounts and other data and statistics designed to explain
92 the past and current extent to which public fund investments in scrutinized companies:

93 (a) are present; and

94 (b) are being prevented under Subsection (6).

95 (5) The report shall be provided to the governor, the board, the president of the Senate,
96 the speaker of the House of Representatives, and to each member and staff of the Retirement
97 and Independent Entities Committee created under Section [63E-1-201](#).

98 (6) [~~Beginning July 1, 2011, using~~] Using the most current list assembled under
99 Subsection (2), the office shall prevent the investment of [~~public funds~~] investment fund's
100 direct holdings in a scrutinized company:

101 (a) for [~~public~~] funds managed within the office, by not investing in direct holdings in a
102 scrutinized company; and

103 (b) for [~~public~~] funds managed by contract by a professional investment manager:

104 (i) for existing contracts, by requesting that no more direct holdings be acquired in a
105 scrutinized company; and

106 (ii) for future contracts, by stipulating in the contract that no new direct holdings be
107 acquired in a scrutinized company.

108 (7) The provisions of this section do not apply to:

109 (a) money invested in a defined contribution plan as defined under Section [49-11-102](#);

110 or

111 (b) investments in a company that is primarily engaged in:

112 (i) supplying goods or services intended to relieve human suffering in Iran; or

113 (ii) promoting health, education, religious, welfare, or journalistic activities in Iran.

114 Section 2. Section **49-11-602** is amended to read:

115 **49-11-602. Participating employer to maintain records -- Time limit -- Penalties**
116 **for failure to comply.**

117 (1) A participating employer shall:

118 (a) maintain records necessary to calculate benefits under this title and other records

119 necessary for proper administration of this title as required by the office; and

120 (b) maintain records that indicate whether an employee is receiving:

121 (i) a benefit under state or federal law that, under Subsection [49-12-102\(1\)\(b\)\(vi\)](#) or
122 (vii), is excluded from the definition of benefits normally provided for purposes of Chapter 12,
123 Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'
124 Noncontributory Retirement Act, or Chapter 22, New Public Employees' Tier II Contributory
125 Retirement Act; or

126 (ii) a benefit under a benefit package generally offered to similarly situated employees.

127 (2) A participating employer shall maintain all records necessary to support the
128 participating employer's reports and certifications required by Section [49-11-603](#).

129 [~~(2)~~] (3) A participating employer shall maintain the records required under
130 [~~Subsection (1)~~] Subsections (1) and (2) until the earliest of:

- 131 (a) three years after the date of retirement of the employee from a system or plan;
- 132 (b) three years after the date of death of the employee; or
- 133 (c) 65 years from the date of employment with the participating employer.

134 [~~(3)~~] (4) A participating employer shall be liable to the office for:

135 (a) any liabilities and expenses, including administrative expenses and the cost of
136 increased benefits to members, resulting from the participating employer's failure to maintain
137 records under this section; and

138 (b) a penalty equal to 1% of the participating employer's last month's contributions.

139 [~~(4)~~] (5) The executive director may waive all or any part of the interest, penalties,
140 expenses, and fees if the executive director finds there were extenuating circumstances
141 surrounding the participating employer's failure to comply with this section.

142 [~~(5)~~] (6) The office may estimate the length of service, compensation, or age of any
143 member, if that information is not contained in the records.

144 [~~(6)~~] (7) (a) A participating employer shall enroll an employee, make reports, submit
145 contributions, and provide other requested information electronically in a manner approved by
146 the office.

147 (b) A participating employer shall treat any information provided electronically or
148 otherwise by the office as subject to the confidentiality provisions of this title.

149 Section 3. Section **49-11-604** is amended to read:

150 **49-11-604. Office audits of participating employers -- Penalties for failure to**
151 **comply.**

152 (1) (a) The office may perform an on-site compliance audit of a participating employer
153 to determine compliance with reporting, contribution, and certification requirements under this
154 title.

155 (b) The office or its independent auditor may perform an on-site compliance audit of a
156 participating employer or request records to be provided by the participating employer,
157 including records required to complete:

158 (i) audited financial statements;

159 (ii) schedules of employer allocations and pension reporting in accordance with
160 Governmental Accounting Standards Board statements; and

161 (iii) service organizational controls reports.

162 (c) The office may request records to be provided by the participating employer at the
163 time of the audit.

164 (d) Audits shall be conducted at the sole discretion of the office after reasonable notice
165 to the participating employer of at least five working days.

166 (e) The participating employer shall extract and provide records as requested by the
167 office in an appropriate, organized, and usable format.

168 (f) Failure of a participating employer to allow access, provide records, or comply in
169 any way with an office audit shall result in the participating employer being liable to the office
170 for:

171 (i) any liabilities and expenses, including administrative expenses and travel expenses,
172 resulting from the participating employer's failure to comply with the audit; and

173 (ii) a penalty equal to 1% of the participating employer's last month's contributions.

174 (2) If the audit reveals a participating employer's failure to make contributions as
175 required under Section 49-11-601, a failure to maintain records as required under Section
176 49-11-602, or a failure to correctly report or certify eligibility as required under Section
177 49-11-603, the participating employer shall [~~reimburse~~] be liable to the office for [the cost of
178 the audit.];

179 (a) any liability or expense, including an administrative expense or the cost of
180 increased benefits to members, resulting from the participating employer's failure to fully

181 comply with the participating employer's reporting, contribution, certification, or record
182 keeping requirements under this title; and

183 (b) a penalty, not to exceed 50% of the participating employer's total contributions for
184 the time period of the error.

185 (3) If the audit reveals that an incorrect benefit has been paid by the office to a
186 member, participant, alternate payee, or beneficiary due to a participating employer's failure to
187 comply with the requirements of Section 49-11-601, 49-11-602, or 49-11-603, in addition to
188 the liabilities contained in Subsection (2), the participating employer shall be liable to the
189 office for the following:

190 (a) the actuarial cost of correcting the incorrect benefit; and

191 (b) administrative expenses.

192 (4) The executive director may waive all or any part of the interest, penalties, expenses,
193 and fees if the executive director finds there were extenuating circumstances surrounding the
194 participating employer's failure to comply with this section.

195 Section 4. Section 49-11-613 is amended to read:

196 **49-11-613. Appeals procedure -- Right of appeal to hearing officer -- Board**
197 **reconsideration -- Judicial review -- Docketing abstract of final administrative order.**

198 (1) (a) A member, retiree, participant, alternative payee, covered individual, employer,
199 participating employer, and covered employer shall inform themselves of their benefits, rights,
200 obligations, and employment rights under this title.

201 (b) Subject to Subsection (8), any dispute regarding a benefit, right, obligation, or
202 employment right under this title is subject to the procedures provided under this section.

203 (c) (i) A person who disputes a benefit, right, obligation, or employment right under
204 this title shall request a ruling by the executive director who may delegate the decision to the
205 deputy director.

206 (ii) A request for a ruling to the executive director under this section shall constitute
207 the initiation of an action for purposes of the limitations periods described in Section
208 49-11-613.5.

209 (d) A person who is dissatisfied by a ruling under Subsection (1)(c) with respect to any
210 benefit, right, obligation, or employment right under this title may request a review of that
211 claim by a hearing officer within the time period described in Section 49-11-613.5.

212 (e) (i) The executive director, on behalf of the board, may request that the hearing
213 officer review a dispute regarding any benefit, right, obligation, or employment right under this
214 title by filing a notice of board action and providing notice to all affected parties in accordance
215 with rules adopted by the board.

216 (ii) The filing of a notice of board action shall constitute the initiation of an action for
217 purposes of the limitations periods described in Section 49-11-613.5.

218 (2) The hearing officer shall:

219 (a) be hired by the executive director after consultation with the board;

220 (b) follow and enforce the procedures and requirements of:

221 (i) this title;

222 (ii) the rules adopted by the board in accordance with Subsection (10); and

223 (iii) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically
224 modified under this title or the rules adopted by the board in accordance with Subsection (10);

225 (c) hear and determine all facts relevant to a decision, including facts pertaining to
226 applications for benefits under any system, plan, or program under this title and all matters
227 pertaining to the administration of the office; and

228 (d) make conclusions of law in determining the person's rights under any system, plan,
229 or program under this title and matters pertaining to the administration of the office.

230 (3) The board shall review and approve or deny all [~~decisions~~] final orders and
231 judgments of the hearing officer in accordance with rules adopted by the board in accordance
232 with Subsection (10).

233 (4) The moving party in any proceeding brought under this section shall bear the
234 burden of proof.

235 (5) A party may file an application for reconsideration by the board upon any of the
236 following grounds:

237 (a) that the board acted in excess of the board's powers;

238 (b) that the order or the award was procured by fraud;

239 (c) that the evidence does not justify the determination of the hearing officer; or

240 (d) that the party has discovered new material evidence that could not, with reasonable
241 diligence, have been discovered or procured prior to the hearing.

242 (6) The board shall affirm, reverse, or modify the [~~decision~~] final order or judgment of

243 the hearing officer, or remand the application to the hearing officer for further consideration.

244 (7) A party aggrieved by the board's final decision under Subsection (6) may obtain
245 judicial review by complying with the procedures and requirements of:

246 (a) this title;

247 (b) rules adopted by the board in accordance with Subsection (10); and

248 (c) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically
249 modified under this title or the rules adopted by the board in accordance with Subsection (10).

250 (8) The program shall provide an appeals process for medical claims that complies
251 with federal law.

252 (9) (a) (i) Any interested party may file, in a district court of any county in the state, an
253 abstract of a final administrative order approved by the board in accordance with this section.

254 (ii) Upon receiving the filing of an abstract, the clerk of the district court shall:

255 (A) docket the abstract; and

256 (B) note the date of the abstract's receipt on the abstract and in the docket.

257 (b) (i) From the day on which an interested party files the abstract with a district court,
258 the final administrative order approved by the board is a lien upon the real property of the
259 obligor situated in that county.

260 (ii) Unless satisfied, the lien is for a period of eight years after the day on which the
261 board approves the final administrative order.

262 (c) The final administrative order approved by the board fixing the liability of the
263 obligor has the same effect as any other money judgment entered by a district court.

264 (d) (i) Except as provided in Subsection (9)(d)(ii), an attachment, a garnishment, or an
265 execution on a judgment included in or accruing under a final administrative order approved by
266 the board and filed and docketed in accordance with Subsection (9)(a) has the same manner
267 and same effect as an attachment, a garnishment, or an execution on a judgment of a district
268 court.

269 (ii) A writ of garnishment on earnings continues to operate, and to require the
270 garnishee to withhold the nonexempt portion of earnings at each succeeding earnings
271 disbursement interval, until the office or a court releases the writ of garnishment in writing.

272 (e) The lien and enforcement remedies provided by this section are in addition to any
273 other lien or remedy provided by law.

274 (f) A party may bring an action upon a final administrative order approved by the board
275 within eight years after the day on which the board approves the final administrative order.

276 (g) A final administrative order may be renewed administratively by complying with
277 the procedures and requirements provided in rule adopted by the board in accordance with
278 Subsection (10).

279 (10) (a) The board shall make rules to implement this section and to establish
280 procedures and requirements for adjudicative proceedings.

281 (b) The rules shall be substantially similar to or incorporate provisions of the Utah
282 Rules of Civil Procedure, the Utah Rules of Evidence, and Title 63G, Chapter 4,
283 Administrative Procedures Act.

284 Section 5. Section **49-12-405** is amended to read:

285 **49-12-405. Death of married member -- Service retirement benefits to surviving**
286 **spouse.**

287 (1) Upon the request of a deceased member's surviving spouse, the deceased member is
288 considered to have retired under Option Three on the first day of the month following the
289 month in which the member died if the following requirements are met:

290 (a) the member has:

291 (i) 25 or more years of service credit;

292 (ii) attained age 60 with 20 or more years of service credit;

293 (iii) attained age 62 with 10 or more years of service credit; or

294 (iv) attained age 65 with four or more years of service credit; and

295 (b) the member dies leaving a surviving spouse.

296 (2) The surviving spouse who requests a benefit under this section shall apply in
297 writing to the office. The allowance shall begin on the first day of the month:

298 (a) following the month in which the member died, if the application is received by the
299 office within 90 days of the member's death; or

300 (b) following the month in which the application is received by the office, if the
301 application is received by the office more than 90 days after the member's death.

302 (3) The Option Three benefit calculation, when there are 25 or more years of service
303 credit, shall be calculated without a reduction in allowance under Section [49-12-402](#).

304 (4) The benefit calculation for a surviving spouse with a valid domestic relations order

305 benefits on file with the office before the member's death date in accordance with Section
306 49-11-612 is calculated according to the manner in which the court order specified benefits to
307 be partitioned, whether as a fixed amount or as a percentage of the benefit.

308 (5) (a) Except for a return of member contributions, benefits payable under this section
309 are retirement benefits and shall be paid in addition to any payments made under Section
310 49-12-501 [~~and constitute a full and final settlement of the claim of the surviving spouse or any~~
311 ~~other beneficiary filing claim for benefits under Section 49-12-501~~].

312 (b) Payments made under this section and Section 49-12-501 shall constitute a full and
313 final settlement of the claim of the surviving spouse or any other beneficiary.

314 (6) If the death benefits under this section are partitioned among more than one
315 surviving spouse due to domestic relations order benefits on file with the office before the
316 member's death date in accordance with Section 49-11-612, the total amount received by the
317 surviving spouses may not exceed the death benefits normally provided to one surviving
318 spouse under this section.

319 Section 6. Section 49-13-405 is amended to read:

320 **49-13-405. Death of married members -- Service retirement benefits to surviving**
321 **spouse.**

322 (1) As used in this section, "member's full allowance" means an Option Three
323 allowance calculated under Section 49-13-402 without an actuarial reduction.

324 (2) Upon the request of a deceased member's surviving spouse, the deceased member is
325 considered to have retired under Option Three on the first day of the month following the
326 month in which the member died if the following requirements are met:

327 (a) the member has:

328 (i) 15 or more years of service credit;

329 (ii) attained age 62 with 10 or more years of service credit; or

330 (iii) attained age 65 with four or more years of service credit; and

331 (b) the member dies leaving a surviving spouse.

332 (3) The surviving spouse who requests a benefit under this section shall apply in
333 writing to the office. The allowance shall begin on the first day of the month:

334 (a) following the month in which the member died, if the application is received by the
335 office within 90 days of the member's death; or

336 (b) following the month in which the application is received by the office, if the
337 application is received by the office more than 90 days after the member's death.

338 (4) The allowance payable to a surviving spouse under Subsection (2) is:

339 (a) if the member has 25 or more years of service credit at the time of death, the
340 surviving spouse shall receive the member's full allowance;

341 (b) if the member has between 20-24 years of service credit and is not age 60 or older
342 at the time of death, the surviving spouse shall receive two-thirds of the member's full
343 allowance;

344 (c) if the member has between 15-19 years of service credit and is not age 62 or older
345 at the time of death, the surviving spouse shall receive one-third of the member's full
346 allowance; or

347 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or
348 older with 10 or more years of service credit, or age 65 or older with four or more years of
349 service credit at the time of death, the surviving spouse shall receive an Option Three benefit
350 with actuarial reductions.

351 (5) The benefit calculation for a surviving spouse with a valid domestic relations order
352 benefits on file with the office before the member's death date in accordance with Section
353 [49-11-612](#) is calculated according to the manner in which the court order specified benefits to
354 be partitioned, whether as a fixed amount or as a percentage of the benefit.

355 (6) (a) Except for a return of member contributions, benefits payable under this section
356 are retirement benefits and shall be paid in addition to any other payments made under Section
357 [49-13-501](#) [~~and shall constitute a full and final settlement of the claim of the surviving spouse~~
358 ~~or any other beneficiary filing a claim for benefits under Section [49-13-501](#)].~~

359 (b) Payments made under this section and Section [49-13-501](#) shall constitute a full and
360 final settlement of the claim of the surviving spouse or any other beneficiary.

361 (7) If the death benefits under this section are partitioned among more than one
362 surviving spouse due to domestic relations order benefits on file with the office before the
363 member's death date in accordance with Section [49-11-612](#), the total amount received by the
364 surviving spouses may not exceed the death benefits normally provided to one surviving
365 spouse under this section.

366 Section 7. Section [49-22-502](#) is amended to read:

367 **49-22-502. Death of married members -- Service retirement benefits to surviving**
368 **spouse.**

369 (1) As used in this section, "member's full allowance" means an Option Three
370 allowance calculated under Section 49-22-305 without an actuarial reduction.

371 (2) Upon the request of a deceased member's surviving spouse, the deceased member is
372 considered to have retired under Option Three on the first day of the month following the
373 month in which the member died if the following requirements are met:

374 (a) the member has:

375 (i) 15 or more years of service credit;

376 (ii) attained age 62 with 10 or more years of service credit; or

377 (iii) attained age 65 with four or more years of service credit; and

378 (b) the member dies leaving a surviving spouse.

379 (3) The surviving spouse who requests a benefit under this section shall apply in
380 writing to the office. The allowance shall begin on the first day of the month:

381 (a) following the month in which the member died, if the application is received by the
382 office within 90 days of the member's death; or

383 (b) following the month in which the application is received by the office, if the
384 application is received by the office more than 90 days after the member's death.

385 (4) The allowance payable to a surviving spouse under Subsection (2) is as follows:

386 (a) if the member has 25 or more years of service credit at the time of death, the
387 surviving spouse shall receive the member's full allowance;

388 (b) if the member has between 20-24 years of service credit and is not age 60 or older
389 at the time of death, the surviving spouse shall receive 2/3 of the member's full allowance;

390 (c) if the member has between 15-19 years of service credit and is not age 62 or older
391 at the time of death, the surviving spouse shall receive 1/3 of the member's full allowance; or

392 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or
393 older with 10 or more years of service credit, or age 65 or older with four or more years of
394 service credit at the time of death, the surviving spouse shall receive an Option Three benefit
395 with actuarial reductions.

396 (5) The benefit calculation for a surviving spouse with a valid domestic relations order
397 benefits on file with the office before the member's death date in accordance with Section

398 49-11-612 is calculated according to the manner in which the court order specified benefits to
399 be partitioned, whether as a fixed amount or as a percentage of the benefit.

400 (6) (a) Except for a return of member contributions, benefits payable under this section
401 are retirement benefits and shall be paid in addition to any other payments made under Section
402 49-22-501 [~~and shall constitute a full and final settlement of the claim of the surviving spouse~~
403 ~~or any other beneficiary filing a claim for benefits under Section 49-22-501~~].

404 (b) Payments made under this section and Section 49-22-501 shall constitute a full and
405 final settlement of the claim of the surviving spouse or any other beneficiary.

406 (7) If the death benefits under this section are partitioned among more than one
407 surviving spouse due to domestic relations order benefits on file with the office before the
408 member's death date in accordance with Section 49-11-612, the total amount received by the
409 surviving spouses may not exceed the death benefits normally provided to one surviving
410 spouse under this section.

411 Section 8. Section 49-23-502 is amended to read:

412 **49-23-502. Death of married members -- Service retirement benefits to surviving**
413 **spouse.**

414 (1) As used in this section, "member's full allowance" means an Option Three
415 allowance calculated under Section 49-23-304 without an actuarial reduction.

416 (2) Upon the request of a deceased member's surviving spouse at the time of the
417 member's death, the deceased member is considered to have retired under Option Three on the
418 first day of the month following the month in which the member died if the following
419 requirements are met:

420 (a) the member has:

421 (i) 15 or more years of service credit;

422 (ii) attained age 62 with 10 or more years of service credit; or

423 (iii) attained age 65 with four or more years of service credit; and

424 (b) the member dies leaving a surviving spouse.

425 (3) The surviving spouse who requests a benefit under this section shall apply in
426 writing to the office. The allowance shall begin on the first day of the month:

427 (a) following the month in which the member died, if the application is received by the
428 office within 90 days of the member's death; or

429 (b) following the month in which the application is received by the office, if the
430 application is received by the office more than 90 days after the member's death.

431 (4) The allowance payable to a surviving spouse under Subsection (2) is:

432 (a) if the member has 25 or more years of service credit at the time of death, the
433 surviving spouse shall receive the member's full allowance;

434 (b) if the member has between 20-24 years of service credit and is not age 60 or older
435 at the time of death, the surviving spouse shall receive two-thirds of the member's full
436 allowance;

437 (c) if the member has between 15-19 years of service credit and is not age 62 or older
438 at the time of death, the surviving spouse shall receive one-third of the member's full
439 allowance; or

440 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or
441 older with 10 or more years of service credit, or age 65 or older with four or more years of
442 service credit at the time of death, the surviving spouse shall receive an Option Three benefit
443 with actuarial reductions.

444 (5) The benefit calculation for a surviving spouse with a valid domestic relations order
445 benefits on file with the office before the member's death date in accordance with Section
446 [49-11-612](#) is calculated according to the manner in which the court order specified benefits to
447 be partitioned, whether as a fixed amount or as a percentage of the benefit.

448 (6) (a) Except for a return of member contributions, benefits payable under this section
449 are retirement benefits and shall be paid in addition to any other payments made under Section
450 [49-23-501](#) [~~and shall constitute a full and final settlement of the claim of the surviving spouse~~
451 ~~or any other beneficiary filing a claim for benefits under Section [49-23-501](#)].~~

452 (b) Payments made under this section and Section [49-23-501](#) shall constitute a full and
453 final settlement of the claim of the surviving spouse or any other beneficiary.

454 (7) If the death benefits under this section or Section [49-23-503](#) are partitioned among
455 more than one surviving spouse due to domestic relations order benefits on file with the office
456 before the member's death date in accordance with Section [49-11-612](#), the total amount
457 received by the surviving spouses may not exceed the death benefits normally provided to one
458 surviving spouse under this section.

459 Section 9. **Effective date.**

460

This bill takes effect on May 1, 2024.