

1 **CONCURRENT RESOLUTION AUTHORIZING STATE PICK**
2 **UP OF PUBLIC SAFETY AND FIREFIGHTER EMPLOYEE**
3 **RETIREMENT CONTRIBUTIONS**

4 2022 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Wayne A. Harper**

7 House Sponsor: Ryan D. Wilcox

8
9 **LONG TITLE**

10 **General Description:**

11 This concurrent resolution increases the employer pick up of certain employee
12 contributions required for state employees who are eligible for and participate as
13 members in the New Public Safety and Firefighter Tier II Contributory Retirement
14 System.

15 **Highlighted Provisions:**

16 This resolution:

- 17 ▶ declares that the state will prospectively pick up and pay required employee
18 contributions up to a maximum of 2.59% of each employee's compensation for all
19 state employees who are members of the New Public Safety and Firefighter Tier II
20 Contributory Retirement System;
- 21 ▶ includes provisions relating to the employer pick up; and
22 ▶ provides that an equal nonelective contribution will be made to public safety and
23 firefighters who are members of the Tier II Defined Contribution Plan.

24 **Special Clauses:**

25 None

26
27 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

28 WHEREAS, agencies of the state employ employees who are eligible for and
29 participate as members in the New Public Safety and Firefighter Tier II Contributory

30 Retirement System administered by the Utah Retirement Systems;

31 WHEREAS, in accordance with federal and state law, including Section 414(h)(2) of
32 the Internal Revenue Code, employers may take formal action to pick up required employee
33 contributions, which will be paid by the employer in lieu of employee contributions;

34 WHEREAS, the state, in the 2020 General Session through H.C.R. 9, Concurrent
35 Resolution Authorizing Pick Up of Public Safety and Firefighter Employee Retirement
36 Contributions, took action to formally pick up a maximum of 2% of an employee's
37 compensation, which represents a portion of the employee contributions required to be paid
38 under Subsection 49-23-301(2), for all state employees participating in the New Public Safety
39 and Firefighters Tier II Contributory Retirement System;

40 WHEREAS, the state now desires to pick up an additional amount of the employee
41 contribution required to be paid under Subsection 49-23-301(2) for all state employees
42 participating in the New Public Safety and Firefighter Tier II Contributory Retirement System;

43 WHEREAS, the state is required under Subsection 49-23-401(1)(b) to make an equal
44 nonelective contribution to a public safety or firefighter employee who is a member of the Tier
45 II Defined Contribution Plan;

46 WHEREAS, the Legislature and the Governor are duly authorized to take this formal
47 action on behalf of the state as a participating employer with the Utah Retirement Systems:

48 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
49 Governor concurring therein, declares that beginning July 1, 2022, the state, on behalf of the
50 state's agencies, shall prospectively pick up and pay required employee contributions for all
51 state employees who are members of the New Public Safety and Firefighter Tier II
52 Contributory Retirement System, subject to a maximum of 2.59% of compensation for each
53 employee.

54 BE IT FURTHER RESOLVED that the picked up contributions paid by the employer,
55 even though designated as employee contributions for state law purposes, are being paid by the
56 state on behalf of the state's agencies in lieu of the required employee contributions.

57 BE IT FURTHER RESOLVED that the picked up contributions will not be included in

58 the gross income of the employees for tax reporting purposes, that is, for federal or state
59 income tax withholding, until distributed from the Utah Retirement Systems, so that the
60 contributions are treated as employer contributions pursuant to Section 414(h)(2) of the Internal
61 Revenue Code.

62 BE IT FURTHER RESOLVED that the picked up contributions are a supplement and
63 not a salary reduction to the state employees who are eligible for and participating members in
64 the New Public Safety and Firefighter Tier II Contributory Retirement System.

65 BE IT FURTHER RESOLVED that, from and after the date of this pick up, a state
66 employee may not have a cash or deferred election right with respect to the designated
67 employee contributions, including that an employee may not be permitted to opt out of the pick
68 up and may not be entitled to any option of choosing to receive the contributed amounts
69 directly instead of having them paid by the state on behalf of the state's employees to the Utah
70 Retirement Systems.

71 BE IT FURTHER RESOLVED that the state will make an equal nonelective
72 contribution to the public safety and firefighter employees who are members of the Tier II
73 Defined Contribution Plan.