

SUPPLEMENTAL SAVINGS PLAN AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rich Cunningham

Senate Sponsor: _____

LONG TITLE

Committee Note:

The Retirement and Independent Entities Interim Committee recommended this bill.

General Description:

This bill modifies the Utah State Personnel Management Act by amending provisions related to state employee benefits.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows a state employee to make the matching deposit into a deemed IRA, 401(k) plan, or other similar savings plan in order to qualify for the employee matching deposit under the state employee matching supplemental benefit; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

67-19-43, as last amended by Laws of Utah 2014, Chapter 15



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

29 Section 1. Section **67-19-43** is amended to read:

30 **67-19-43. State employee matching supplemental defined contribution benefit.**

31 (1) As used in this section[, "qualifying employee" means an employee who is]:

32 (a) "Qualifying account" means:

33 (i) a defined contribution plan qualified under Section 401(k) of the Internal Revenue
34 Code, which is sponsored by the Utah State Retirement Board; or

35 (ii) a deemed Individual Retirement Account authorized under the Internal Revenue
36 Code, which is sponsored by the Utah State Retirement Board; or

37 (iii) a similar savings plan or account authorized under the Internal Revenue Code,
38 which is sponsored by the Utah State Retirement Board.

39 (b) "Qualifying employee" means an employee who is:

40 [(a)] (i) in a position that is:

41 [(i)] (A) receiving retirement benefits under Title 49, Utah State Retirement and
42 Insurance Benefit Act; and

43 [(ii)] (B) accruing paid leave benefits that can be used in the current and future
44 calendar years; and

45 [(b)] (ii) not an employee who is reemployed as defined in Section 49-11-102.

46 (2) Subject to the requirements of Subsection (3) and beginning on or after January 4,
47 2014, an employer shall make a biweekly matching contribution to every qualifying employee's
48 defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, subject
49 to federal requirements and limitations, which is sponsored by the Utah State Retirement
50 Board.

51 (3) (a) In accordance with the requirements of this Subsection (3), each qualifying
52 employee shall be eligible to receive the same dollar amount for the contribution under
53 Subsection (2).

54 (b) A qualifying employee:

55 (i) shall receive the contribution amount determined under Subsection (3)(c) if the
56 qualifying employee makes a voluntary personal contribution to [~~the defined contribution plan~~
57 ~~account described in Subsection (2)] one or more qualifying accounts in an amount equal to or
58 greater than the employer's contribution amount determined in Subsection (3)(c);~~

59 (ii) shall receive a partial contribution amount that is equal to the qualifying employee's
60 personal contribution amount if the employee makes a voluntary personal contribution to [~~the~~
61 ~~defined contribution plan account described in Subsection (2)] one or more qualifying accounts
62 in an amount less than the employer's contribution amount determined in Subsection (3)(c); or~~

63 (iii) may not receive a contribution under Subsection (2) if the qualifying employee
64 does not make a voluntary personal contribution to [~~the defined contribution plan account~~
65 ~~described in Subsection (2)] a qualifying account.~~

66 (c) (i) Subject to the maximum limit under Subsection (3)(c)(iii), the Legislature shall
67 annually determine the contribution amount that an employer shall provide to each qualifying
68 employee under Subsection (2).

69 (ii) The department shall make recommendations annually to the Legislature on the
70 contribution amount required under Subsection (2), in consultation with the Governor's Office
71 of Management and Budget and the Division of Finance.

72 (iii) The biweekly matching contribution amount required under Subsection (2) may
73 not exceed \$26 for each qualifying employee.

74 (4) A qualifying employee is eligible to receive the biweekly contribution under this
75 section for any pay period in which the employee is in a paid status or other status protected by
76 federal or state law.

77 (5) The employer and employee contributions made and related earnings under this
78 section vest immediately upon deposit and can be withdrawn by the employee at any time,
79 subject to Internal Revenue Code regulations on the withdrawals.

80 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
81 executive director shall make rules establishing procedures to implement the provisions of this
82 section.

Legislative Review Note
as of 7-28-14 8:35 AM

Office of Legislative Research and General Counsel