LOCAL PUBLIC SAFETY AND FIREFIGHTER SURVIVING SPOUSE TRUST FUND AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: Timothy D. Hawkes

LONG TITLE

General Description:

This bill modifies the Public Safety Code by amending provisions relating to line-of-duty death benefits.

Highlighted Provisions:

This bill:

- amends health coverage requirements for a surviving spouse and children of a member whose death is classified as a line-of-duty death;
- provides that a law enforcement agency or other state or local government agency that employs one or more public safety service employees or firefighter service employees who are eligible to earn service credit in a Utah Retirement System is required to participate in the Local Public Safety and Firefighter Surviving Spouse Trust Fund;
- amends procedures for participating in the Local Public Safety and Firefighter Surviving Spouse Trust Fund;
- authorizes the Commissioner of the Department of Public Safety to enter into a contract with a third-party administrator to administer the Local Public Safety and Firefighter Surviving Spouse Trust Fund; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

30 This bill provides a special effective date.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **53-17-201**, as last amended by Laws of Utah 2016, Chapter 261

34 **53-17-301**, as last amended by Laws of Utah 2016, Chapter 261

35 **53-17-401**, as enacted by Laws of Utah 2015, Chapter 166

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

38 Section 1. Section **53-17-201** is amended to read:

39 **53-17-201. Surviving spouse and children health coverage for line-of-duty death.**

40 (1) (a) Subject to Subsection (1)(b), and in accordance with this section, an employer
41 shall allow the surviving spouse and children of a member whose death is classified by the
42 Utah State Retirement Office as a line-of-duty death under the provisions of Title 49, Utah
43 State Retirement and Insurance Benefit Act, to remain eligible for health coverage under the
44 employer's group health plan as if the surviving spouse was an employee of the employer.

45 (b) [~~(i)~~] The employer shall pay 100% of the premium costs and, if the health coverage
46 is a high-deductible plan, the employer share of any contribution into a health savings account
47 for the surviving spouse and dependent children as described under Subsections (1)(a) and (2),
48 and may not require payment from the surviving spouse for premium costs or health savings
49 account contributions as a condition of qualifying to continue to receive the health coverage.

50 [~~(ii)~~] (c) For the first [~~24~~] 12 months after the line-of-duty death, the employer shall
51 pay the amount specified under Subsection (1)(b)[~~(i)~~].

52 [~~(iii)~~] (d) Beginning [~~25~~] 13 months after the line-of-duty death, an employer may pay
53 the amount specified under Subsection (1)(b)[~~(i)~~] through a cost-sharing agreement under
54 Section 53-17-301 associated with the trust fund created under Section 53-17-401.

55 (2) An employer shall allow a surviving spouse and children to remain eligible to
56 receive health coverage from the employer under this section at the option of the surviving
57 spouse:

58 (a) for health coverage for the surviving spouse, until the surviving spouse becomes
59 eligible for Medicare; and
60 (b) for health coverage of a child, until the child reaches the age of 26.
61 (3) This section does not apply to a member who:
62 (a) does not qualify for a line-of-duty death benefit under Title 49, Utah State
63 Retirement and Insurance Benefit Act;
64 (b) at the time of death, did not receive or qualify to receive employer group health
65 coverage; or
66 (c) is covered under Section 49-20-406.
67 Section 2. Section **53-17-301** is amended to read:
68 **53-17-301. Cost-sharing agreements -- Deadlines -- Terms -- Reports --**
69 **Rulemaking.**
70 (1) An employer [~~may elect to~~] shall participate in the trust fund by:
71 (a) entering into a cost-sharing agreement with the commissioner under this section;
72 and
73 (b) paying the cost-sharing rate determined by the board.
74 (2) (a) [~~An employer that does not participate in the trust fund by entering into a~~
75 ~~cost-sharing agreement in accordance with this section, shall pay the full amount required~~
76 ~~under Subsection 53-17-201(1)(b)(i). (b)~~] Subject to the terms of the cost-sharing agreement,
77 an employer that [~~elects to participate~~] participates in accordance with this section, and stays
78 current with its payments, shall be considered to have paid the employer's full obligation under
79 Subsection 53-17-201(1)(b)[~~(i)~~].
80 [~~(c)~~] (b) An employer that [~~elects to participate~~] participates in accordance with this
81 section and that does not stay current with its payments may not be covered from the trust fund.
82 (3) An employer [~~that elects to participate in the trust fund before July 1, 2017,~~] shall
83 be covered from the trust fund for a line-of-duty death that occurs on or after July 1, [~~2015~~]
84 2005.
85 [~~(4) If an employer does not elect to participate in the trust fund before July 1, 2017:~~]

86 [~~(a) the employer may elect to participate during an annual open enrollment period as~~
87 ~~established by the board; and~~]
88 [~~(b) the employer may not be covered from the trust fund for a line-of-duty death that~~
89 ~~occurs during a period of time when the employer is not a participant in the trust fund.~~]
90 [~~(5)~~] (4) The commissioner shall:
91 (a) in consultation with the board, establish a form and language for a cost-sharing
92 agreement required to use trust funds in accordance with this section;
93 (b) as directed by the board, assess the annual fee amount established by the board;
94 (c) as directed by the board, establish procedures for an employer participating in the
95 trust fund to be reimbursed for the costs of providing the health coverage benefit under
96 Subsection 53-17-201(1)(b);
97 [~~(c)~~] (d) prepare and submit to the governor and the Legislature, by October 1 of each
98 year, an annual written report of the trust fund, including its balance, expenditures, and
99 revenues, and the operations and activities of the board under this chapter; and
100 [~~(d)~~] (e) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
101 Act, make rules to implement this chapter.
102 Section 3. Section **53-17-401** is amended to read:
103 **53-17-401. Local Public Safety and Firefighter Surviving Spouse Trust Fund.**
104 (1) There is created a private purpose trust fund entitled the "Local Public Safety and
105 Firefighter Surviving Spouse Trust Fund."
106 (2) The trust fund consists of:
107 (a) fees established in Subsection 53-17-402(2)(a);
108 (b) appropriations made to the fund by the Legislature, if any;
109 (c) private donations and grants; and
110 (d) other revenue received from other sources.
111 (3) The Department of Public Safety:
112 (a) shall account for the receipt and expenditures of trust fund money[~~.~~]; or
113 (b) may enter into contract with a third-party administrator to administer the fund and

114 account for the receipt and expenditure of trust fund money.
115 (4) The trust fund shall earn interest.
116 (5) The revenue and interest in the account, less actual administrative costs to the
117 department, shall be used to lower fees paid by an employer under Section 53-17-201.
118 (6) The board of trustees created in Section 53-17-402 may expend money from the
119 trust fund:
120 (a) for health coverage for a surviving spouse and children under Subsection
121 53-17-201(1)[~~(b)(iii)~~](d) by paying:
122 [~~(a)~~] (i) premium costs; or
123 (ii) if the health coverage is a high-deductible plan, premium costs and the employer
124 contribution to a health savings account; and
125 (b) reasonable administrative costs that the department and the board of trustees incur
126 in performing their duties for administering the trust fund.
127 (7) Money deposited into the trust fund is irrevocable and is expended only for the
128 purposes described in this chapter.
129 (8) Assets of the trust fund are dedicated for the purposes established by statute and
130 administrative rule.
131 (9) Creditors of the board of trustees and of employers liable for the benefits paid
132 under this chapter may not seize, attach, or otherwise obtain assets of the trust fund.
133 Section 4. **Effective date.**
134 This bill takes effect on July 1, 2018.