

**Retirement Modifications**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Cheryl K. Acton

---

**LONG TITLE****Committee Note:**

The Retirement and Independent Entities Interim Committee recommended this bill.

Legislative Vote: 11 voting for 0 voting against 3 absent

**General Description:**

This bill modifies provisions relating to public employee retirement and benefits.

**Highlighted Provisions:**

This bill:

- amends the definition of "bona fide termination of employment" for purposes of the Utah State Retirement and Insurance Benefit Act;

- changes the membership of the Membership Council;

- clarifies that service credit in the judges' retirement systems is not transferable to a Tier II retirement system;

- authorizes the attorney general and senior staff in the Office of the Attorney General to elect to transfer the value of certain accrued defined benefits or elect to be exempt from the retirement systems, allowing employer contributions to vest immediately;

- modifies the Utah Retirement Systems staff who may make an appeal ruling, if delegated by the executive director;

- amends provisions regarding permanently relinquishing a defined benefit or defined contribution benefit; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**49-11-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special

31 Session, Chapter 9  
 32 **49-11-205 (Effective 05/06/26) (Superseded 11/28/26)**, as last amended by Laws of Utah  
 33 2025, Chapter 298  
 34 **49-11-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 193  
 35 **49-11-406 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 425  
 36 **49-11-613 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 421  
 37 **49-11-619 (Effective 05/06/26)**, as last amended by Laws of Utah 2008, Chapter 252  
 38 **49-11-802 (Effective 05/06/26)**, as enacted by Laws of Utah 2002, Chapter 250  
 39 **49-11-1202 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 405  
 40 **49-12-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64  
 41 **49-12-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 42 **49-13-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64  
 43 **49-13-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 44 **49-14-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 45 **49-15-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 46 **49-16-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 47 **49-17-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2014, Chapter 15  
 48 **49-18-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2014, Chapter 15  
 49 **49-22-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 64  
 50 **49-22-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449  
 51 **49-23-303 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 449

---

52  
 53 *Be it enacted by the Legislature of the state of Utah:*

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

55 **49-11-102 (Effective 05/06/26). Definitions.**

56 As used in this title:

57 (1)(a) "Active member" means a member who:

58 (i) is employed by a participating employer and accruing service credit; or

59 (ii) within the previous 120 days:

60 (A) has been employed by a participating employer; and

61 (B) accrued service credit.

62 (b) "Active member" does not include a retiree.

63 (2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of  
 64 mortality tables as recommended by the actuary and adopted by the executive director,

- 65 including regular interest.
- 66 (3) "Actuarial interest rate" means the interest rate as recommended by the actuary and  
67 adopted by the board upon which the funding of system costs and benefits are computed.
- 68 (4)(a) "Agency" means:
- 69 (i) a department, division, agency, office, authority, commission, board, institution,  
70 or hospital of the state;
- 71 (ii) a county, municipality, school district, special district, or special service district;
- 72 (iii) a state college or university; or
- 73 (iv) any other participating employer.
- 74 (b) "Agency" does not include an entity listed under Subsection (4)(a)(i) that is a  
75 subdivision of another entity listed under Subsection (4)(a).
- 76 (5) "Allowance" or "retirement allowance" means the pension plus the annuity, including  
77 any cost of living or other authorized adjustments to the pension and annuity.
- 78 (6) "Alternate payee" means a member's former spouse or family member eligible to  
79 receive payments under a Domestic Relations Order in compliance with Section  
80 49-11-612.
- 81 (7) "Amortization rate" means the board certified percent of salary required to amortize the  
82 unfunded actuarial accrued liability in accordance with policies established by the board  
83 upon the advice of the actuary.
- 84 (8) "Annuity" means monthly payments derived from member contributions.
- 85 (9) "Appointive officer" means an employee appointed to a position for a definite and fixed  
86 term of office by official and duly recorded action of a participating employer whose  
87 appointed position is designated in the participating employer's charter, creation  
88 document, or similar document, and:
- 89 (a) who earns \$500 or more per month, indexed as of January 1, 1990, as provided in  
90 Section 49-12-407 for a Tier I appointive officer; and
- 91 (b) whose appointive position is full-time as certified by the participating employer for a  
92 Tier II appointive officer.
- 93 (10)(a) "At-will employee" means a person who is employed by a participating  
94 employer and:
- 95 (i) who is not entitled to merit or civil service protection and is generally considered  
96 exempt from a participating employer's merit or career service personnel systems;
- 97 (ii) whose on-going employment status is entirely at the discretion of the person's  
98 employer; or

- 99 (iii) who may be terminated without cause by a designated supervisor, manager, or  
100 director.
- 101 (b) "At-will employee" does not include a career employee who has obtained a  
102 reasonable expectation of continued employment based on inclusion in a  
103 participating employer's merit system, civil service protection system, or career  
104 service personnel systems, policies, or plans.
- 105 (11) "Beneficiary" means any person entitled to receive a payment under this title through a  
106 relationship with or designated by a member, participant, covered individual, or alternate  
107 payee of a defined contribution plan.
- 108 (12) "Board" means the Utah State Retirement Board established under Section 49-11-202.
- 109 (13) "Board member" means a person serving on the Utah State Retirement Board as  
110 established under Section 49-11-202.
- 111 (14) "Board of Higher Education" or "Utah Board of Higher Education" means the Utah  
112 Board of Higher Education described in Section 53H-1-203.
- 113 (15) "Bona fide termination of employment" means a circumstance in which a member:  
114 (a) terminates any employer-employee relationship with a participating employer and  
115 any direct or indirect fee-for-service relationship with a participating employer;  
116 (b) ceases actual work for any participating employer; and  
117 (c) completes each action described in Subsections (15)(a) and (b) without having any  
118 kind of prearrangement or understanding with a participating employer that  
119 anticipates, following the member's termination of employment and retirement, any  
120 kind of:  
121 (i) employment with a participating employer; or  
122 (ii) fee-for-service relationship with a participating employer.
- 123 [(15)] (16) "Certified contribution rate" means the board certified percent of salary paid on  
124 behalf of an active member to the office to maintain the system on a financially and  
125 actuarially sound basis.
- 126 [(16)] (17) "Contributions" means the total amount paid by the participating employer and  
127 the member into a system or to the Utah Governors' and Legislators' Retirement Plan  
128 under Chapter 19, Utah Governors' and Legislators' Retirement Act.
- 129 [(17)] (18) "Council member" means a person serving on the Membership Council  
130 established under Section 49-11-205.
- 131 [(18)] (19) "Covered individual" means any individual covered under Chapter 20, Public  
132 Employees' Benefit and Insurance Program Act.

- 133     ~~[(19)]~~ (20) "Current service" means covered service under:
- 134             (a) Chapter 12, Public Employees' Contributory Retirement Act;
- 135             (b) Chapter 13, Public Employees' Noncontributory Retirement Act;
- 136             (c) Chapter 14, Public Safety Contributory Retirement Act;
- 137             (d) Chapter 15, Public Safety Noncontributory Retirement Act;
- 138             (e) Chapter 16, Firefighters' Retirement Act;
- 139             (f) Chapter 17, Judges' Contributory Retirement Act;
- 140             (g) Chapter 18, Judges' Noncontributory Retirement Act;
- 141             (h) Chapter 19, Utah Governors' and Legislators' Retirement Act;
- 142             (i) Chapter 22, New Public Employees' Tier II Contributory Retirement Act; or
- 143             (j) Chapter 23, New Public Safety and Firefighter Tier II Contributory Retirement Act.
- 144     ~~[(20)]~~ (21) "Defined benefit" or "defined benefit plan" or "defined benefit system" means a
- 145             system or plan offered under this title to provide a specified allowance to a retiree or a
- 146             retiree's spouse after retirement that is based on a set formula involving one or more of
- 147             the following factors:
- 148             (a) years of service;
- 149             (b) final average monthly salary; or
- 150             (c) a retirement multiplier.
- 151     ~~[(21)]~~ (22) "Defined contribution" or "defined contribution plan" means any defined
- 152             contribution plan or deferred compensation plan authorized under the Internal Revenue
- 153             Code and administered by the board.
- 154     ~~[(22)]~~ (23) "Educational institution" means a political subdivision or instrumentality of the
- 155             state or a combination thereof primarily engaged in educational activities or the
- 156             administration or servicing of educational activities, including:
- 157             (a) the State Board of Education and its instrumentalities;
- 158             (b) any institution of higher education and its branches;
- 159             (c) any school district and its instrumentalities;
- 160             (d) any vocational and technical school; and
- 161             (e) any entity arising out of a consolidation agreement between entities described under
- 162             this Subsection ~~[(22)]~~ (23).
- 163     ~~[(23)]~~ (24) "Elected official":
- 164             (a) means a person elected to a state office, county office, municipal office, school board
- 165             or school district office, special district office, or special service district office;
- 166             (b) includes a person who is appointed to serve an unexpired term of office described

- 167 under Subsection [~~(23)~~(a)] (24)(a); and
- 168 (c) does not include a judge or justice who is subject to a retention election under  
169 Section 20A-12-201.
- 170 [~~(24)~~] (25)(a) "Employer" means any department, educational institution, or political  
171 subdivision of the state eligible to participate in a government-sponsored retirement  
172 system under federal law.
- 173 (b) "Employer" may also include an agency financed in whole or in part by public funds.
- 174 [~~(25)~~] (26) "Exempt employee" means an employee working for a participating employer:
- 175 (a) who is not eligible for service credit under Section 49-12-203, 49-13-203, 49-14-203,  
176 49-15-203, or 49-16-203; and
- 177 (b) for whom a participating employer is not required to pay contributions or nonelective  
178 contributions.
- 179 [~~(26)~~] (27) "Final average monthly salary" means the amount computed by dividing the  
180 compensation received during the final average salary period under each system by the  
181 number of months in the final average salary period.
- 182 [~~(27)~~] (28) "Fund" means any fund created under this title for the purpose of paying benefits  
183 or costs of administering a system, plan, or program.
- 184 [~~(28)~~] (29)(a) "Inactive member" means a member who has not been employed by a  
185 participating employer for a period of at least 120 days.
- 186 (b) "Inactive member" does not include retirees.
- 187 [~~(29)~~] (30)(a) "Initially entering" means hired, appointed, or elected for the first time, in  
188 current service as a member with any participating employer.
- 189 (b) "Initially entering" does not include a person who has any prior service credit on file  
190 with the office.
- 191 (c) "Initially entering" includes an employee of a participating employer, except for an  
192 employee that is not eligible under a system or plan under this title, who:
- 193 (i) does not have any prior service credit on file with the office;
- 194 (ii) is covered by a retirement plan other than a retirement plan created under this  
195 title; and
- 196 (iii) moves to a position with a participating employer that is covered by this title.
- 197 [~~(30)~~] (31) "Institution of higher education" means an institution described in Section  
198 53H-1-102.
- 199 [~~(31)~~] (32)(a) "Member" means a person, except a retiree, with contributions on deposit  
200 with a system, the Utah Governors' and Legislators' Retirement Plan under Chapter

201 19, Utah Governors' and Legislators' Retirement Act, or with a terminated system.  
 202 (b) "Member" also includes leased employees within the meaning of Section 414(n)(2)  
 203 of the Internal Revenue Code, if the employees have contributions on deposit with  
 204 the office. If leased employees constitute less than 20% of the participating  
 205 employer's work force that is not highly compensated within the meaning of Section  
 206 414(n)(5)(c)(ii), Internal Revenue Code, "member" does not include leased  
 207 employees covered by a plan described in Section 414(n)(5) of the federal Internal  
 208 Revenue Code.

209 ~~[(32)]~~ (33) "Member contributions" means the sum of the contributions paid to a system or  
 210 the Utah Governors' and Legislators' Retirement Plan, including refund interest if  
 211 allowed by a system, and which are made by:

212 (a) the member; and

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

215 ~~[(33)]~~ (34) "Nonelective contribution" means an amount contributed by a participating  
 216 employer into a participant's defined contribution account.

217 ~~[(34)]~~ (35) "Normal cost rate":

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

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

222 ~~[(35)]~~ (36) "Office" means the Utah State Retirement Office.

223 ~~[(36)]~~ (37) "Participant" means an individual with voluntary deferrals or nonelective  
 224 contributions on deposit with the defined contribution plans administered under this title.

225 ~~[(37)]~~ (38) "Participating employer" means a participating employer, as defined by Chapter  
 226 12, Public Employees' Contributory Retirement Act, Chapter 13, Public Employees'  
 227 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,  
 228 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'  
 229 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, and Chapter 18,  
 230 Judges' Noncontributory Retirement Act, or an agency financed in whole or in part by  
 231 public funds which is participating in a system or plan as of January 1, 2002.

232 ~~[(38)]~~ (39) "Part-time appointed board member" means a person:

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

- 235 (b) whose service as a part-time appointed board member does not qualify as a regular  
236 full-time employee as defined under Section 49-12-102, 49-13-102, or 49-22-102.
- 237 [~~(39)~~] (40) "Pension" means monthly payments derived from participating employer  
238 contributions.
- 239 [~~(40)~~] (41) "Plan" means the Utah Governors' and Legislators' Retirement Plan created by  
240 Chapter 19, Utah Governors' and Legislators' Retirement Act, the New Public  
241 Employees' Tier II Defined Contribution Plan created by Chapter 22, Part 4, Tier II  
242 Defined Contribution Plan, the New Public Safety and Firefighter Tier II Defined  
243 Contribution Plan created by Chapter 23, Part 4, Tier II Defined Contribution Plan, or  
244 the defined contribution plans created under Section 49-11-801.
- 245 [~~(41)~~] (42)(a) "Political subdivision" means any local government entity, including cities,  
246 towns, counties, and school districts, but only if the subdivision is a juristic entity that  
247 is legally separate and distinct from the state and only if its employees are not by  
248 virtue of their relationship to the entity employees of the state.
- 249 (b) "Political subdivision" includes special districts, special service districts, or  
250 authorities created by the Legislature or by local governments, including the office.
- 251 (c) "Political subdivision" does not include a project entity created under Title 11,  
252 Chapter 13, Interlocal Cooperation Act, that was formed prior to July 1, 1987.
- 253 [~~(42)~~] (43) "Program" means the Public Employees' Insurance Program created under  
254 Chapter 20, Public Employees' Benefit and Insurance Program Act, or the Public  
255 Employees' Long-Term Disability program created under Chapter 21, Public Employees'  
256 Long-Term Disability Act.
- 257 [~~(43)~~] (44) "Public funds" means those funds derived, either directly or indirectly, from  
258 public taxes or public revenue, dues or contributions paid or donated by the membership  
259 of the organization, used to finance an activity whose objective is to improve, on a  
260 nonprofit basis, the governmental, educational, and social programs and systems of the  
261 state or its political subdivisions.
- 262 [~~(44)~~] (45) "Qualified defined contribution plan" means a defined contribution plan that  
263 meets the requirements of Section 401(k) or Section 403(b) of the Internal Revenue  
264 Code.
- 265 [~~(45)~~] (46) "Refund interest" means the amount accrued on member contributions at a rate  
266 adopted by the board.
- 267 [~~(46)~~] (47) "Retiree" means an individual who has qualified for an allowance under this title.
- 268 [~~(47)~~] (48) "Retirement" means the status of an individual who has become eligible, applies

- 269 for, and is entitled to receive an allowance under this title.
- 270 [~~(48)~~] (49) "Retirement date" means the date selected by the member on which the member's
- 271 retirement becomes effective with the office.
- 272 [~~(49)~~] (50) "Retirement related contribution":
- 273 (a) means any employer payment to any type of retirement plan or program made on
- 274 behalf of an employee; and
- 275 (b) does not include Social Security payments or Social Security substitute payments
- 276 made on behalf of an employee.
- 277 [~~(50)~~] (51) "Service credit" means:
- 278 (a) the period during which an employee is employed and compensated by a
- 279 participating employer and meets the eligibility requirements for membership in a
- 280 system or the Utah Governors' and Legislators' Retirement Plan, provided that any
- 281 required contributions are paid to the office; and
- 282 (b) periods of time otherwise purchasable under this title.
- 283 [~~(51)~~] (52) "Surviving spouse" means:
- 284 (a) the lawful spouse who has been married to a member for at least six months
- 285 immediately before the death date of the member; or
- 286 (b) a former lawful spouse of a member with a valid domestic relations order benefits on
- 287 file with the office before the member's death date in accordance with Section
- 288 49-11-612.
- 289 [~~(52)~~] (53) "System" means the individual retirement systems created by Chapter 12, Public
- 290 Employees' Contributory Retirement Act, Chapter 13, Public Employees'
- 291 Noncontributory Retirement Act, Chapter 14, Public Safety Contributory Retirement Act,
- 292 Chapter 15, Public Safety Noncontributory Retirement Act, Chapter 16, Firefighters'
- 293 Retirement Act, Chapter 17, Judges' Contributory Retirement Act, Chapter 18, Judges'
- 294 Noncontributory Retirement Act, and Chapter 19, Utah Governors' and Legislators'
- 295 Retirement Act, the defined benefit portion of the Tier II Hybrid Retirement System
- 296 under Chapter 22, Part 3, Tier II Hybrid Retirement System, and the defined benefit
- 297 portion of the Tier II Hybrid Retirement System under Chapter 23, Part 3, Tier II Hybrid
- 298 Retirement System.
- 299 [~~(53)~~] (54) "Technical college" means the same as that term is defined in Section 53H-1-101.
- 300 [~~(54)~~] (55) "Tier I" means a system or plan under this title for which:
- 301 (a) an employee is eligible to participate if the employee initially enters regular full-time
- 302 employment before July 1, 2011; or

- 303 (b) a governor or legislator who initially enters office before July 1, 2011.
- 304 [~~(55)~~] (56)(a) "Tier II" means a system or plan under this title provided in lieu of a Tier I
- 305 system or plan for an employee, governor, legislator, or full-time elected official who
- 306 does not have Tier I service credit in a system or plan under this title:
- 307 (i) if the employee initially enters regular full-time employment on or after July 1,
- 308 2011; or
- 309 (ii) if the governor, legislator, or full-time elected official initially enters office on or
- 310 after July 1, 2011.
- 311 (b) "Tier II" includes:
- 312 (i) the Tier II hybrid system established under:
- 313 (A) Chapter 22, Part 3, Tier II Hybrid Retirement System; or
- 314 (B) Chapter 23, Part 3, Tier II Hybrid Retirement System; and
- 315 (ii) the Tier II Defined Contribution Plan (Tier II DC Plan) established under:
- 316 (A) Chapter 22, Part 4, Tier II Defined Contribution Plan; or
- 317 (B) Chapter 23, Part 4, Tier II Defined Contribution Plan.
- 318 [~~(56)~~] (57) "Unfunded actuarial accrued liability" or "UAAL":
- 319 (a) is determined by the system's actuary; and
- 320 (b) means the excess, if any, of the accrued liability of a retirement system over the
- 321 actuarial value of its assets.
- 322 [~~(57)~~] (58) "Voluntary deferrals" means an amount contributed by a participant into that
- 323 participant's defined contribution account.
- 324 Section 2. Section **49-11-205** is amended to read:
- 325 **49-11-205 (Effective 05/06/26) (Superseded 11/28/26). Membership Council**
- 326 **established -- Members -- Chair -- Duties -- Expenses and per diem.**
- 327 (1) A Membership Council is established to perform the duties under Subsection (5).
- 328 (2) The Membership Council shall be composed of [~~15~~] 18 council members[~~-selected~~] as
- 329 follows:
- 330 (a) the director of the Division of Human Resource Management or the director's
- 331 designee;
- 332 (b) one local school board member selected by the governing board of an association
- 333 representative of a majority of local school board members who are members of a
- 334 system administered by the board;
- 335 (c) one district superintendent selected by the governing board of an association
- 336 representative of a majority of district superintendents who are members of a system

- 337 administered by the board, or the district superintendent's designee;
- 338 (d) three ~~[council members shall be]~~ school employees selected by the governing board
- 339 of an association representative of a majority of school employees who are members
- 340 of a system administered by the board;
- 341 ~~[(b)]~~ (e) one ~~[council member shall be an]~~ education support professional selected by the
- 342 governing board of the association representative of a majority of education support
- 343 professionals who are members of a system administered by the board;
- 344 ~~[(e)]~~ (f) two ~~[council members shall be]~~ public employees selected by the governing
- 345 board of the association representative of a majority of the public employees who are
- 346 members of a system administered by the board;
- 347 ~~[(d)]~~ (g) one ~~[council member shall be a]~~ municipal officer or employee selected by the
- 348 governing board of the association representative of a majority of the municipalities
- 349 who participate in a system administered by the board;
- 350 ~~[(e)]~~ (h) one ~~[council member shall be a]~~ county officer or employee selected by the
- 351 governing board of the association representative of a majority of counties who
- 352 participate in a system administered by the board;
- 353 ~~[(f)]~~ (i) one ~~[council member shall be a]~~ representative of members of the Judges'
- 354 Noncontributory Retirement System selected by the Judicial Council;
- 355 ~~[(g)]~~ (j) one ~~[council member shall be a]~~ representative of members of the Public Safety
- 356 Retirement Systems selected by the governing board of the association representative
- 357 of the majority of peace officers who are members of the Public Safety Retirement
- 358 Systems;
- 359 ~~[(h)]~~ (k) one ~~[council member shall be a]~~ representative of members of the Firefighters'
- 360 Retirement System selected by the governing board of the association representative
- 361 of the majority of paid professional firefighters who are members of the Firefighters'
- 362 Retirement System;
- 363 ~~[(i)]~~ (l) one ~~[council member shall be a]~~ retiree selected by the governing board of the
- 364 association representing the largest number of retirees, who are not public education
- 365 retirees, from the Public Employees' Contributory, Public Employees'
- 366 Noncontributory, and New Public Employees' Tier II Contributory Retirement
- 367 Systems;
- 368 ~~[(j)]~~ (m) one ~~[council member shall be a]~~ retiree selected by the governing board of the
- 369 association representing the largest number of public education retirees;
- 370 ~~[(k)]~~ (n) one ~~[council member shall be a]~~ school business official selected by the

371 governing board of the association representative of a majority of the school business  
 372 officials from public education employers who participate in a system administered  
 373 by the board; and

374 ~~[(H)]~~ (o) one ~~[council member shall be a ]~~special district officer or employee selected by  
 375 the governing board of the association representing the largest number of special  
 376 service districts and special districts who participate in a system administered by the  
 377 board.

378 (3)(a) Each entity granted authority to select council members under Subsection (2) may  
 379 also revoke the selection at any time.

380 (b) Each term on the council shall be for a period of four years, subject to Subsection  
 381 (3)(a).

382 (c) Each term begins on July 1 and expires on June 30.

383 (d) When a vacancy occurs on the council for any reason, the replacement shall be  
 384 selected for the remainder of the unexpired term.

385 (4) The council shall annually designate one council member as chair.

386 (5) The council shall:

387 (a) recommend to the board and to the Legislature benefits and policies for members of  
 388 any system or plan administered by the board;

389 (b) recommend procedures and practices to improve the administration of the systems  
 390 and plans and the public employee relations responsibilities of the board and office;

391 (c) examine the record of all decisions affecting retirement benefits made by a hearing  
 392 officer under Section 49-11-613;

393 (d) submit nominations to the board for the position of executive director if that position  
 394 is vacant;

395 (e) advise and counsel with the board and the director on policies affecting members of  
 396 the various systems administered by the office; and

397 (f) perform other duties assigned to it by the board.

398 (6) A member of the council may not receive compensation or benefits for the member's  
 399 service, but may receive per diem and travel expenses in accordance with:

400 (a) Section 63A-3-106;

401 (b) Section 63A-3-107; and

402 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
 403 63A-3-107.

404 Section 3. Section **49-11-401** is amended to read:

405           **49-11-401 (Effective 05/06/26). Transfer of service credit -- Eligibility for service**  
406 **credit -- Computation of service credit -- Retirement from most recent system.**

- 407 (1)(a) The office shall make the transfer of service credit, together with related member  
408 and participating employer contributions, from one system to another upon terms and  
409 conditions established by the board.
- 410 (b) The terms and conditions may not result in a loss of accrued benefits.
- 411 (2) An employee does not lose active member status by transferring employment from a  
412 position covered by one system to a position covered by another system.
- 413 (3) In the accrual of service credit, the following provisions apply:
- 414 (a)(i) a person employed and compensated by a participating employer who meets the  
415 eligibility requirements for membership in a system or the Utah Governors' and  
416 Legislators' Retirement Plan shall receive service credit for the term of the  
417 employment provided that all required contributions are paid to the office; and
- 418 (ii) the person may not receive service credit for a term of employment until all  
419 required contributions related to that service credit have been paid to the office;
- 420 (b) an allowance or other benefit may not accrue under this title which is based upon the  
421 same period of employment as has been the basis for any retirement benefits under  
422 some other public retirement system;
- 423 (c)(i) the board shall fix the minimum time per day, per month, and per year upon the  
424 basis of which one year of service and proportionate parts of a year shall be  
425 credited toward qualification for retirement;
- 426 (ii) service may be computed on a fiscal or calendar year basis and portions of years  
427 served shall be accumulated and counted as service; and
- 428 (iii) in any event, all of the service rendered in any one fiscal or calendar year may  
429 not count for more than one year;
- 430 (d) service credit shall be accrued on a fiscal or calendar year basis as determined by the  
431 participating employer;
- 432 (e) a member may not accrue more than one year of service credit per fiscal or calendar  
433 year as determined by the office; and
- 434 (f) fractions of years of service credit shall be accumulated and counted in proportion to  
435 the work performed.
- 436 (4) The office may estimate the amount of service credit, compensation, or age of any  
437 member, participant, or alternate payee, if information is not contained in the records.
- 438 (5) A member shall retire from the system that most recently covered the member.

439 (6)(a) Under no circumstances may service credit earned by a member under Chapter 22,  
 440 New Public Employees' Tier II Contributory Retirement Act, or Chapter 23, New  
 441 Public Safety and Firefighter Tier II Contributory Retirement Act, be transferable to  
 442 any other system or plan under this title.

443 (b) Under no circumstances may service credit earned by a member under one of the  
 444 following systems be transferable to the system created under Chapter 22, New  
 445 Public Employees' Tier II Contributory Retirement Act, or under Chapter 23, New  
 446 Public Safety and Firefighter Tier II Contributory Retirement Act:

447 (i) Chapter 12, Public Employees' Contributory Retirement Act;

448 (ii) Chapter 13, Public Employees' Noncontributory Retirement Act;

449 (iii) Chapter 14, Public Safety Contributory Retirement Act;

450 (iv) Chapter 15, Public Safety Noncontributory Retirement Act;

451 (v) Chapter 16, Firefighters' Retirement Act;~~[or]~~

452 (vi) Chapter 17, Judges' Contributory Retirement Act;

453 (vii) Chapter 18, Judges' Noncontributory Retirement Act; or

454 ~~[(vi)]~~ (viii) Chapter 19, Utah Governors' and Legislators' Retirement Act.

455 Section 4. Section **49-11-406** is amended to read:

456 **49-11-406 (Effective 05/06/26). Governor's appointed executives and senior staff**

457 **-- Appointed legislative employees -- Transfer of value of accrued defined benefit --**

458 **Procedures.**

459 (1) As used in this section:

460 (a) "Defined benefit balance" means the total amount of the contributions made on  
 461 behalf of a member to a defined benefit system plus refund interest.

462 (b) "Senior staff" means an at-will employee who reports directly to an elected official,  
 463 executive director, or director and includes a deputy director and other similar, at-will  
 464 employee positions designated by the governor, the speaker of the House, or the  
 465 president of the Senate and filed with the Division of Human Resource Management  
 466 and the Utah State Retirement Office.

467 (2) In accordance with this section and subject to requirements under federal law and rules  
 468 made by the board, a member who has service credit from a system may elect to be  
 469 exempt from coverage under a defined benefit system and to have the member's defined  
 470 benefit balance transferred from the defined benefit system or plan to a defined  
 471 contribution plan in the member's own name if the member is:

472 (a) the state auditor;

- 473 (b) the state treasurer;
- 474 (c) an appointed executive under Subsection 67-22-2(1)(a);
- 475 (d) an employee in the [~~Governor's Office~~] Office of the Governor;
- 476 (e) senior staff in the Governor's Office of Planning and Budget;
- 477 (f) senior staff in the Governor's Office of Economic Opportunity;
- 478 (g) senior staff in the State Commission on Criminal and Juvenile Justice;
- 479 (h) senior staff in the Public Lands Policy Coordinating Office, created in Section
- 480 63L-11-201;
- 481 (i) a legislative employee appointed under Subsection 36-12-7(3);~~[-or]~~
- 482 (j) a legislative employee appointed by the speaker of the House of Representatives, the
- 483 House of Representatives minority leader, the president of the Senate, or the Senate
- 484 minority leader~~[-]~~ ;
- 485 (k) the attorney general; or
- 486 (l) an at-will employee who reports directly to:
- 487 (i) the attorney general; or
- 488 (ii) an employee who reports directly to the attorney general.
- 489 (3) An election made under Subsection (2):
- 490 (a) is final, and no right exists to make any further election;
- 491 (b) is considered a request to be exempt from coverage under a defined benefits system;
- 492 and
- 493 (c) shall be made on forms provided by the office.
- 494 (4) The board shall adopt rules to implement and administer this section.
- 495 Section 5. Section **49-11-613** is amended to read:
- 496 **49-11-613 (Effective 05/06/26). Appeals procedure -- Right of appeal to hearing**
- 497 **officer -- Board reconsideration -- Judicial review -- Docketing abstract of final**
- 498 **administrative order.**
- 499 (1)(a) A member, retiree, participant, alternative payee, covered individual, employer,
- 500 participating employer, and covered employer shall inform themselves of their
- 501 benefits, rights, obligations, and employment rights under this title.
- 502 (b) Subject to Subsection (8), any dispute regarding a benefit, right, obligation, or
- 503 employment right under this title is subject to the procedures provided under this
- 504 section.
- 505 (c)(i) A person who disputes a benefit, right, obligation, or employment right under
- 506 this title shall request a ruling by the executive director who may delegate the

- 507 decision to ~~[the deputy director]~~ a senior member of office management as  
508 determined by the executive director.
- 509 (ii) A request for a ruling to the executive director under this section shall constitute  
510 the initiation of an action for purposes of the limitations periods described in  
511 Section 49-11-613.5.
- 512 (d) A person who is dissatisfied by a ruling under Subsection (1)(c) with respect to any  
513 benefit, right, obligation, or employment right under this title may request a review of  
514 that claim by a hearing officer within the time period described in Section  
515 49-11-613.5.
- 516 (e)(i) The executive director, on behalf of the board, may request that the hearing  
517 officer review a dispute regarding any benefit, right, obligation, or employment  
518 right under this title by filing a notice of board action and providing notice to all  
519 affected parties in accordance with rules adopted by the board.
- 520 (ii) The filing of a notice of board action shall constitute the initiation of an action for  
521 purposes of the limitations periods described in Section 49-11-613.5.
- 522 (2) The hearing officer shall:
- 523 (a) be hired by the executive director after consultation with the board;
- 524 (b) follow and enforce the procedures and requirements of:
- 525 (i) this title;
- 526 (ii) the rules adopted by the board in accordance with Subsection (10); and
- 527 (iii) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically  
528 modified under this title or the rules adopted by the board in accordance with  
529 Subsection (10);
- 530 (c) hear and determine all facts relevant to a decision, including facts pertaining to  
531 applications for benefits under any system, plan, or program under this title and all  
532 matters pertaining to the administration of the office; and
- 533 (d) make conclusions of law in determining the person's rights under any system, plan,  
534 or program under this title and matters pertaining to the administration of the office.
- 535 (3) The board shall review and approve or deny all final orders and judgments of the  
536 hearing officer in accordance with rules adopted by the board in accordance with  
537 Subsection (10).
- 538 (4) The moving party in any proceeding brought under this section shall bear the burden of  
539 proof.
- 540 (5) A party may file an application for reconsideration by the board upon any of the

- 541 following grounds:
- 542 (a) that the board acted in excess of the board's powers;
- 543 (b) that the order or the award was procured by fraud;
- 544 (c) that the evidence does not justify the determination of the hearing officer; or
- 545 (d) that the party has discovered new material evidence that could not, with reasonable
- 546 diligence, have been discovered or procured prior to the hearing.
- 547 (6) The board shall affirm, reverse, or modify the final order or judgment of the hearing
- 548 officer, or remand the application to the hearing officer for further consideration.
- 549 (7) A party aggrieved by the board's final decision under Subsection (6) may obtain judicial
- 550 review by complying with the procedures and requirements of:
- 551 (a) this title;
- 552 (b) rules adopted by the board in accordance with Subsection (10); and
- 553 (c) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically modified
- 554 under this title or the rules adopted by the board in accordance with Subsection (10).
- 555 (8) The program shall provide an appeals process for medical claims that complies with
- 556 federal law.
- 557 (9)(a)(i) Any interested party may file, in a district court of any county in the state, an
- 558 abstract of a final administrative order approved by the board in accordance with
- 559 this section.
- 560 (ii) Upon receiving the filing of an abstract, the clerk of the district court shall:
- 561 (A) docket the abstract; and
- 562 (B) note the date of the abstract's receipt on the abstract and in the docket.
- 563 (b)(i) From the day on which an interested party files the abstract with a district
- 564 court, the final administrative order approved by the board is a lien upon the real
- 565 property of the obligor situated in that county.
- 566 (ii) Unless satisfied, the lien is for a period of eight years after the day on which the
- 567 board approves the final administrative order.
- 568 (c) The final administrative order approved by the board fixing the liability of the
- 569 obligor has the same effect as any other money judgment entered by a district court.
- 570 (d)(i) Except as provided in Subsection (9)(d)(ii), an attachment, a garnishment, or an
- 571 execution on a judgment included in or accruing under a final administrative order
- 572 approved by the board and filed and docketed in accordance with Subsection (9)(a)
- 573 has the same manner and same effect as an attachment, a garnishment, or an
- 574 execution on a judgment of a district court.

- 575 (ii) A writ of garnishment on earnings continues to operate, and to require the  
 576 garnishee to withhold the nonexempt portion of earnings at each succeeding  
 577 earnings disbursement interval, until the office or a court releases the writ of  
 578 garnishment in writing.
- 579 (e) The lien and enforcement remedies provided by this section are in addition to any  
 580 other lien or remedy provided by law.
- 581 (f) A party may bring an action upon a final administrative order approved by the board  
 582 within eight years after the day on which the board approves the final administrative  
 583 order.
- 584 (g) A final administrative order may be renewed administratively by complying with the  
 585 procedures and requirements provided in rule adopted by the board in accordance  
 586 with Subsection (10).
- 587 (10)(a) The board shall make rules to implement this section and to establish procedures  
 588 and requirements for adjudicative proceedings.
- 589 (b) The rules shall be substantially similar to or incorporate provisions of the Utah Rules  
 590 of Civil Procedure, the Utah Rules of Evidence, and Title 63G, Chapter 4,  
 591 Administrative Procedures Act.
- 592 Section 6. Section **49-11-619** is amended to read:

593 **49-11-619 (Effective 05/06/26). Permanent relinquishment of benefit --**

594 **Procedure.**

- 595 (1)(a) A member or retiree may not permanently relinquish a benefit under this title.
- 596 (b) Except for a defined contribution [plans] plan authorized by this title, a [member,  
 597 retiree, or] designated beneficiary may permanently relinquish a benefit under this  
 598 title by signing an irrevocable written relinquishment.
- 599 [(b) If the retiree has designated a beneficiary which is still living, the written  
 600 relinquishment must be signed by both the retiree and the beneficiary.]
- 601 [(2) The value of the benefit permanently relinquished under Subsection (1) shall remain in  
 602 the fund from which the benefit was relinquished and shall be used in the calculation of  
 603 future contribution rates.]
- 604 [(3)] (2)(a) A designated beneficiary may disclaim beneficiary status and the benefit shall  
 605 then be payable first to any alternate designated beneficiary, then dispersed under  
 606 Title 75, Chapter 2, Intestate Succession and Wills, as applicable.
- 607 (b) The remaining value of the benefit permanently relinquished after payments are  
 608 made under Subsection (2)(a) shall remain in the fund from which the benefit was

609 relinquished and shall be used in the calculation of future contribution rates.

610 [~~(4)~~] (3) The office is not required to recognize or accept any written relinquishment that  
611 jeopardizes the tax qualified status of the systems, plans, or programs or otherwise  
612 violates federal law.

613 Section 7. Section **49-11-802** is amended to read:

614 **49-11-802 (Effective 05/06/26). Permanent relinquishment of defined**  
615 **contribution benefit -- Procedure.**

616 (1) A participant under a defined contribution plan may not permanently relinquish the  
617 benefit.

618 (2) A [~~participant or~~] designated beneficiary under a defined contribution plan may  
619 permanently relinquish the benefit by signing an irrevocable written relinquishment.

620 Section 8. Section **49-11-1202** is amended to read:

621 **49-11-1202 (Effective 05/06/26). Definitions.**

622 As used in this part:

623 (1)(a) "Affiliated emergency services worker" means an individual who:

- 624 (i) is employed by a participating employer;
- 625 (ii) performs emergency services for another participating employer that is a different  
626 agency;
- 627 (iii) is trained in techniques and skills required for the emergency service;
- 628 (iv) continues to receive regular training required for the service;
- 629 (v) is on the rolls as a trained affiliated emergency services worker of the  
630 participating employer; and
- 631 (vi) provides ongoing service for a participating employer, which service may  
632 include service as a volunteer firefighter, reserve law enforcement officer, search  
633 and rescue worker, emergency medical technician, ambulance worker, park  
634 ranger, or public utilities worker.

635 (b) "Affiliated emergency services worker" does not include an individual who performs  
636 work or service but does not meet the requirements of Subsection (1)(a).

637 (2) "Amortization rate" means the amortization rate, as defined in Section 49-11-102, to be  
638 applied to the system that would have covered the retiree if the retiree's reemployed  
639 position were deemed to be an eligible, full-time position within that system.

640 [~~(3) "Bona fide termination of employment" means:]~~

641 [~~(a) permanent separation from employment or a fee-for-service relationship with any~~  
642 ~~participating employer; and]~~

643           ~~[(b) separation from employment without a prearrangement that anticipates~~  
 644           ~~postretirement reemployment or a postretirement fee-for-service relationship with a~~  
 645           ~~participating employer.]~~

646   ~~[(4)]~~ (3) "Normal cost rate" means the normal cost rate, as defined in Section 49-11-102, to  
 647       be applied to the system that would have covered the retiree if the retiree's reemployed  
 648       position were deemed to be an eligible, full-time position within that system.

649   ~~[(5)]~~ (4) "Part-time appointed or elected board member" means an individual who:

650       (a) serves in a position:

651           (i) as a member of a board, commission, council, committee, panel, or other body of  
 652           a participating employer; and

653           (ii) that is designated in the participating employer's governing statute, charter,  
 654           creation document, or similar document;

655       (b) is appointed or elected to the position for a definite and fixed term of office by  
 656       official and duly recorded action of the participating employer;

657       (c) except for the service in the position, does not perform other work or service for  
 658       compensation for the participating employer, whether as an employee or under a  
 659       contract; and

660       (d) retires from a participating employer that is different than the participating employer  
 661       with the position in which the person serves.

662   ~~[(6)]~~ (5) "Public employee retiree" means a retiree who retires under:

663       (a) Chapter 12, Public Employees' Contributory Retirement Act;

664       (b) Chapter 13, Public Employees' Noncontributory Retirement Act; or

665       (c) Chapter 22, Part 3, Tier II Hybrid Retirement System.

666   ~~[(7)]~~ (6) "Public safety or firefighter retiree" means a retiree who retires under:

667       (a) Chapter 14, Public Safety Contributory Retirement Act;

668       (b) Chapter 15, Public Safety Noncontributory Retirement Act;

669       (c) Chapter 16, Firefighters' Retirement Act; or

670       (d) Chapter 23, Part 3, Tier II Hybrid Retirement System.

671   ~~[(8)]~~ (7)(a) "Reemployed," "reemploy," or "reemployment" means work or service  
 672       performed for a participating employer after retirement, in exchange for  
 673       compensation.

674       (b) "Reemployed," "reemploy," or "reemployment" includes work or service performed  
 675       on a contract for a participating employer if the retiree is:

676           (i) listed as the contractor; or

- 677 (ii) an owner, partner, or principal of the contractor.
- 678 [(9)] (8)(a) "Retiree" means an individual who:
- 679 (i) retired from a participating employer; and
- 680 (ii) begins reemployment on or after July 1, 2010, with a participating employer.
- 681 (b) "Retiree" does not include an individual:
- 682 (i)(A) who was reemployed by a participating employer before July 1, 2010; and
- 683 (B) whose participating employer that reemployed the individual under
- 684 Subsection [(9)(b)(i)(A)] (8)(b)(i)(A) was dissolved, consolidated, merged, or
- 685 structurally changed in accordance with Section 49-11-621 on or after July 1,
- 686 2010; or
- 687 (ii) who is working under a phased retirement agreement in accordance with Chapter
- 688 11, Part 13, Phased Retirement.

689 Section 9. Section **49-12-203** is amended to read:

690 **49-12-203 (Effective 05/06/26). Exclusions from membership in system.**

- 691 (1) The following employees are not eligible for service credit in this system:
- 692 (a) subject to the requirements of Subsection (2), an employee whose employment status
- 693 is temporary in nature due to the nature or the type of work to be performed;
- 694 (b) except as provided under Subsection (3)(a), an employee of an institution of higher
- 695 education who participates in a retirement system with a public or private retirement
- 696 system, organization, or company designated by the Utah Board of Higher Education,
- 697 or the technical college board of trustees for an employee of each technical college,
- 698 during any period in which required contributions based on compensation have been
- 699 paid on behalf of the employee by the employer;
- 700 (c) an employee serving as an exchange employee from outside the state for an employer
- 701 who has not elected to make all of the employer's exchange employees eligible for
- 702 service credit in this system;
- 703 (d) an executive department head of the state, a member of the State Tax Commission,
- 704 the Public Service Commission, and a member of a full-time or part-time board or
- 705 commission who files a formal request for exemption;
- 706 (e) an employee of the Department of Workforce Services who is covered under another
- 707 retirement system allowed under Title 35A, Chapter 4, Employment Security Act;
- 708 (f) an employee who is employed on or after July 1, 2009, with an employer that has
- 709 elected, prior to July 1, 2009, to be excluded from participation in this system under
- 710 Subsection 49-12-202(2)(c);

- 711 (g) an employee who is employed on or after July 1, 2014, with an employer that has  
712 elected, prior to July 1, 2014, to be excluded from participation in this system under  
713 Subsection 49-12-202(2)(d);
- 714 (h) an employee who is employed with a withdrawing entity that has elected under  
715 Section 49-11-623, prior to January 1, 2017, to exclude:
- 716 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);  
717 or  
718 (ii) all employees from participation in this system under Subsection 49-11-623(3)(b);
- 719 (i) an employee described in Subsection (1)(i)(i) or (ii) who is employed with a  
720 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018,  
721 to exclude:
- 722 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);  
723 or  
724 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b);
- 725 (j) an employee who is employed with a withdrawing entity that has elected under  
726 Section 49-11-625, before July 1, 2022, to exclude all employees from participation  
727 in this system; or
- 728 (k) an employee who is employed with a withdrawing entity that elects under Section  
729 49-11-626 to exclude:
- 730 (i) new employees from participation in this system under Subsection 49-11-626(3)(a);  
731 or  
732 (ii) all employees from participation in this system under Subsection 49-11-626(3)(b).
- 733 (2) If an employee whose status is temporary in nature due to the nature of type of work to  
734 be performed:
- 735 (a) is employed for a term that exceeds six months and the employee otherwise qualifies  
736 for service credit in this system, the participating employer shall report and certify to  
737 the office that the employee is a regular full-time employee effective the beginning of  
738 the seventh month of employment; or
- 739 (b) was previously terminated prior to being eligible for service credit in this system and  
740 is reemployed within three months of termination by the same participating  
741 employer, the participating employer shall report and certify that the member is a  
742 regular full-time employee when the total of the periods of employment equals six  
743 months and the employee otherwise qualifies for service credits in this system.
- 744 (3)(a) Upon cessation of the participating employer contributions, an employee under

- 745 Subsection (1)(b) is eligible for service credit in this system.
- 746 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service credit  
747 earned by an employee under this chapter before July 1, 2009 is not affected under  
748 Subsection (1)(f).
- 749 (c) Notwithstanding the provisions of Subsection (1)(g), any eligibility for service credit  
750 earned by an employee under this chapter before July 1, 2014, is not affected under  
751 Subsection (1)(g).
- 752 (4) Upon filing a written request for exemption with the office, the following employees  
753 shall be exempt from coverage under this system:
- 754 (a) a full-time student or the spouse of a full-time student and individuals employed in a  
755 trainee relationship;
- 756 (b) an elected official;
- 757 (c) an executive department head of the state, a member of the State Tax Commission, a  
758 member of the Public Service Commission, and a member of a full-time or part-time  
759 board or commission;
- 760 (d) an employee of the Governor's Office of Planning and Budget;
- 761 (e) an employee of the Governor's Office of Economic Opportunity;
- 762 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 763 (g) an employee of the ~~Governor's Office~~ Office of the Governor;
- 764 (h) an employee of the Public Lands Policy Coordinating Office, created in Section  
765 63L-11-201;
- 766 (i) an employee of the State Auditor's Office;
- 767 (j) an employee of the State Treasurer's Office;
- 768 (k) any other member who is permitted to make an election under Section 49-11-406;
- 769 (l) a person appointed as a city manager or chief city administrator or another person  
770 employed by a municipality, county, or other political subdivision, who is an at-will  
771 employee;
- 772 (m) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,  
773 Interlocal Cooperation Act, who is engaged in a specialized trade customarily  
774 provided through membership in a labor organization that provides retirement  
775 benefits to the organization's members;
- 776 (n) an employee serving as an exchange employee from outside the state for an  
777 employer who has elected to make all of the employer's exchange employees eligible  
778 for service credit in this system;[-and]

- 779 (o) the adjutant general of the Utah National Guard appointed under Section 39A-1-201  
 780 and each individual listed in Subsection [39A-1-203(1).] 39A-1-203(1); and
- 781 (p) an at-will employee who reports directly to:  
 782 (i) the attorney general; or  
 783 (ii) an employee who reports directly to the attorney general.
- 784 (5)(a) Each participating employer shall prepare and maintain a list designating those  
 785 positions eligible for exemption under Subsection (4).
- 786 (b) An employee may not be exempted unless the employee is employed in an exempted  
 787 position designated by the participating employer.
- 788 (6)(a) In accordance with this section, Section 49-13-203, and Section 49-22-205, a  
 789 municipality, county, or political subdivision may not exempt a total of more than 50  
 790 positions or a number equal to 10% of the eligible employees of the municipality,  
 791 county, or political subdivision, whichever is less.
- 792 (b) A municipality, county, or political subdivision may exempt at least one regular  
 793 full-time employee.
- 794 (7) Each participating employer shall:  
 795 (a) maintain a list of employee exemptions; and  
 796 (b) update the employee exemptions in the event of any change.
- 797 (8) The office may make rules to implement this section.
- 798 (9) An employee's exclusion, exemption, participation, or election described in this section:  
 799 (a) shall be made in accordance with this section; and  
 800 (b) is subject to requirements under federal law and rules made by the board.
- 801 Section 10. Section **49-12-401** is amended to read:  
 802 **49-12-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**  
 803 **-- Qualifications.**
- 804 (1) A member is qualified to receive an allowance from this system when:  
 805 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
 806 ~~participating employer that employs the member~~] has a bona fide termination of  
 807 employment before the member's retirement date and provides evidence of the  
 808 termination;  
 809 (b) the member has submitted to the office a retirement application form that states the  
 810 member's proposed retirement date; and  
 811 (c) one of the following conditions is met as of the member's retirement date:  
 812 (i) the member has accrued at least four years of service credit and has attained an

- 813 age of 65 years;
- 814 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 815 of 62 years;
- 816 (iii) the member has accrued at least 20 years of service credit and has attained an age
- 817 of 60 years; or
- 818 (iv) the member has accrued at least 30 years of service credit.
- 819 (2)(a) The member's retirement date:
- 820 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 821 (ii) shall be on or after the date of termination; and
- 822 (iii) may not be more than 90 days before or after the date the application is received
- 823 by the office.
- 824 (b) Except as provided under Subsection (3), a member may not be employed by a
- 825 participating employer in the system established by this chapter on the retirement
- 826 date selected under Subsection (2)(a)(i).
- 827 (3)(a) A member who is employed by a participating employer and who is also an
- 828 elected official is not required to [~~ease service~~] terminate employment as an elected
- 829 official to be qualified to receive an allowance under Subsection (1), unless the
- 830 member is retiring from [~~service~~] employment as an elected official.
- 831 (b) A member who is employed by a participating employer and who is also a part-time
- 832 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 833 to [~~ease service~~] terminate employment as a part-time appointed board member to be
- 834 qualified to receive an allowance under Subsection (1).
- 835 (c) A member who is employed by a participating employer, who is also an affiliated
- 836 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 837 is not required to [~~ease service~~] terminate employment as an affiliated emergency
- 838 services worker to be qualified to receive an allowance under Subsection (1).
- 839 (d) A member who is employed by a participating employer and who is also a part-time
- 840 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 841 agency is not required to [~~ease service~~] terminate employment as a part-time
- 842 appointed or elected board member to be qualified to receive an allowance under
- 843 Subsection (1).
- 844 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain
- 845 qualified to receive an allowance as provided in Subsection (3) is available only for a
- 846 member who, at the time of retirement, is at least:

847 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
848 system; or

849 (b) 55 years old.

850 Section 11. Section **49-13-203** is amended to read:

851 **49-13-203 (Effective 05/06/26). Exclusions from membership in system.**

852 (1) The following employees are not eligible for service credit in this system:

853 (a) subject to the requirements of Subsection (2), an employee whose employment status  
854 is temporary in nature due to the nature or the type of work to be performed;

855 (b) except as provided under Subsection (3)(a), an employee of an institution of higher  
856 education who participates in a retirement system with a public or private retirement  
857 system, organization, or company designated by the Utah Board of Higher Education,  
858 or the technical college board of trustees for an employee of each technical college,  
859 during any period in which required contributions based on compensation have been  
860 paid on behalf of the employee by the employer;

861 (c) an employee serving as an exchange employee from outside the state for an employer  
862 who has not elected to make all of the employer's exchange employees eligible for  
863 service credit in this system;

864 (d) an executive department head of the state or a legislative director, senior executive  
865 employed by the governor's office, a member of the State Tax Commission, a  
866 member of the Public Service Commission, and a member of a full-time or part-time  
867 board or commission who files a formal request for exemption;

868 (e) an employee of the Department of Workforce Services who is covered under another  
869 retirement system allowed under Title 35A, Chapter 4, Employment Security Act;

870 (f) an employee who is employed with an employer that has elected to be excluded from  
871 participation in this system under Subsection 49-13-202(5), effective on or after the  
872 date of the employer's election under Subsection 49-13-202(5);

873 (g) an employee who is employed with a withdrawing entity that has elected under  
874 Section 49-11-623, prior to January 1, 2017, to exclude:

875 (i) new employees from participation in this system under Subsection 49-11-623(3)(a);  
876 or

877 (ii) all employees from participation in this system under Subsection 49-11-623(3)(b);

878 (h) an employee described in Subsection (1)(h)(i) or (ii) who is employed with a  
879 withdrawing entity that has elected under Section 49-11-624, before January 1, 2018,  
880 to exclude:

- 881 (i) new employees from participation in this system under Subsection 49-11-624(3)(a);  
882 or  
883 (ii) all employees from participation in this system under Subsection 49-11-624(3)(b);  
884 (i) an employee who is employed with a withdrawing entity that has elected under  
885 Section 49-11-625, before July 1, 2022, to exclude all employees from participation  
886 in this system; or  
887 (j) an employee who is employed with a withdrawing entity that elects under Section  
888 49-11-626 to exclude:  
889 (i) new employees from participation in this system under Subsection 49-11-626(3)(a);  
890 or  
891 (ii) all employees from participation in this system under Subsection 49-11-626(3)(b).
- 892 (2) If an employee whose status is temporary in nature due to the nature of type of work to  
893 be performed:  
894 (a) is employed for a term that exceeds six months and the employee otherwise qualifies  
895 for service credit in this system, the participating employer shall report and certify to  
896 the office that the employee is a regular full-time employee effective the beginning of  
897 the seventh month of employment; or  
898 (b) was previously terminated prior to being eligible for service credit in this system and  
899 is reemployed within three months of termination by the same participating  
900 employer, the participating employer shall report and certify that the member is a  
901 regular full-time employee when the total of the periods of employment equals six  
902 months and the employee otherwise qualifies for service credits in this system.
- 903 (3)(a) Upon cessation of the participating employer contributions, an employee under  
904 Subsection (1)(b) is eligible for service credit in this system.  
905 (b) Notwithstanding the provisions of Subsection (1)(f), any eligibility for service credit  
906 earned by an employee under this chapter before the date of the election under  
907 Subsection 49-13-202(5) is not affected under Subsection (1)(f).
- 908 (4) Upon filing a written request for exemption with the office, the following employees  
909 shall be exempt from coverage under this system:  
910 (a) a full-time student or the spouse of a full-time student and individuals employed in a  
911 trainee relationship;  
912 (b) an elected official;  
913 (c) an executive department head of the state, a member of the State Tax Commission, a  
914 member of the Public Service Commission, and a member of a full-time or part-time

- 915 board or commission;
- 916 (d) an employee of the Governor's Office of Planning and Budget;
- 917 (e) an employee of the Governor's Office of Economic Opportunity;
- 918 (f) an employee of the Commission on Criminal and Juvenile Justice;
- 919 (g) an employee of the ~~[Governor's Office]~~ Office of the Governor;
- 920 (h) an employee of the State Auditor's Office;
- 921 (i) an employee of the State Treasurer's Office;
- 922 (j) any other member who is permitted to make an election under Section 49-11-406;
- 923 (k) a person appointed as a city manager or chief city administrator or another person
- 924 employed by a municipality, county, or other political subdivision, who is an at-will
- 925 employee;
- 926 (l) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
- 927 Interlocal Cooperation Act, who is engaged in a specialized trade customarily
- 928 provided through membership in a labor organization that provides retirement
- 929 benefits to its members;
- 930 (m) an employee serving as an exchange employee from outside the state for an
- 931 employer who has elected to make all of the employer's exchange employees eligible
- 932 for service credit in this system; ~~and~~
- 933 (n) the adjutant general of the Utah National Guard appointed under Section 39A-1-201
- 934 and each individual listed in Subsection ~~[39A-1-203(1).]~~ 39A-1-203(1); and
- 935 (o) an at-will employee who reports directly to:
- 936 (i) the attorney general; or
- 937 (ii) an employee who reports directly to the attorney general.
- 938 (5)(a) Each participating employer shall prepare and maintain a list designating those
- 939 positions eligible for exemption under Subsection (4).
- 940 (b) An employee may not be exempted unless the employee is employed in a position
- 941 designated by the participating employer.
- 942 (6)(a) In accordance with this section, Section 49-12-203, and Section 49-22-205, a
- 943 municipality, county, or political subdivision may not exempt a total of more than 50
- 944 positions or a number equal to 10% of the eligible employees of the municipality,
- 945 county, or political subdivision, whichever is less.
- 946 (b) A municipality, county, or political subdivision may exempt at least one regular
- 947 full-time employee.
- 948 (7) Each participating employer shall:

- 949 (a) maintain a list of employee exemptions; and  
 950 (b) update the employee exemptions in the event of any change.  
 951 (8) The office may make rules to implement this section.  
 952 (9) An employee's exclusion, exemption, participation, or election described in this section:  
 953 (a) shall be made in accordance with this section; and  
 954 (b) is subject to requirements under federal law and rules made by the board.

955 Section 12. Section **49-13-401** is amended to read:

956 **49-13-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**

957 **-- Qualifications.**

- 958 (1) A member is qualified to receive an allowance from this system when:  
 959 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
 960 ~~participating employer that employs the member~~] has a bona fide termination of  
 961 employment before the member's retirement date and provides evidence of the  
 962 termination;  
 963 (b) the member has submitted to the office a retirement application form that states the  
 964 member's proposed retirement date; and  
 965 (c) one of the following conditions is met as of the member's retirement date:  
 966 (i) the member has accrued at least four years of service credit and has attained an  
 967 age of 65 years;  
 968 (ii) the member has accrued at least 10 years of service credit and has attained an age  
 969 of 62 years;  
 970 (iii) the member has accrued at least 20 years of service credit and has attained an age  
 971 of 60 years;  
 972 (iv) the member has accrued at least 30 years of service credit; or  
 973 (v) the member has accrued at least 25 years of service credit, in which case the  
 974 member shall be subject to the reduction under Subsection 49-13-402(2)(b).  
 975 (2)(a) The member's retirement date:  
 976 (i) shall be the 1st or the 16th day of the month, as selected by the member;  
 977 (ii) shall be on or after the date of termination; and  
 978 (iii) may not be more than 90 days before or after the date the application is received  
 979 by the office.  
 980 (b) Except as provided under Subsection (3), a member may not be employed by a  
 981 participating employer in the system established by this chapter on the retirement  
 982 date selected under Subsection (2)(a)(i).

- 983 (3)(a) A member who is employed by a participating employer and who is also an  
 984 elected official is not required to [~~ease-service~~] terminate employment as an elected  
 985 official to be qualified to receive an allowance under Subsection (1), unless the  
 986 member is retiring from [~~service~~] employment as an elected official.
- 987 (b) A member who is employed by a participating employer and who is also a part-time  
 988 appointed board member, as described in Subsection 49-11-1203(2), is not required  
 989 to [~~ease-service~~] terminate employment as a part-time appointed board member to be  
 990 qualified to receive an allowance under Subsection (1).
- 991 (c) A member who is employed by a participating employer, who is also an affiliated  
 992 emergency services worker as defined in Section 49-11-1202 for a different agency,  
 993 is not required to [~~ease-service~~] terminate employment as an affiliated emergency  
 994 services worker to be qualified to receive an allowance under Subsection (1).
- 995 (d) A member who is employed by a participating employer and who is also a part-time  
 996 appointed or elected board member, as defined in Section 49-11-1202, for a different  
 997 agency is not required to [~~ease-service~~] terminate employment as a part-time  
 998 appointed or elected board member to be qualified to receive an allowance under  
 999 Subsection (1).
- 1000 (4) An exemption from the requirement to [~~ease-service~~] terminate employment and remain  
 1001 qualified to receive an allowance as provided in Subsection (3) is available only for a  
 1002 member who, at the time of retirement, is at least:
- 1003 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
 1004 system; or
- 1005 (b) 55 years old.

1006 Section 13. Section **49-14-401** is amended to read:

1007 **49-14-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**  
 1008 **retirement -- Qualifications.**

- 1009 (1) A member is qualified to receive an allowance from this system when:
- 1010 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
 1011 ~~participating employer that employs the member~~] has a bona fide termination of  
 1012 employment before the member's retirement date and provides evidence of the  
 1013 termination;
- 1014 (b) the member has submitted to the office a retirement application form that states the  
 1015 member's proposed retirement date; and
- 1016 (c) one of the following conditions is met as of the member's retirement date:

- 1017 (i) the member has accrued at least 20 years of service credit;
- 1018 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 1019 of 60 years; or
- 1020 (iii) the member has accrued at least four years of service credit and has attained an
- 1021 age of 65 years.
- 1022 (2)(a) The member's retirement date:
- 1023 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1024 (ii) shall be on or after the date of termination; and
- 1025 (iii) may not be more than 90 days before or after the date the application is received
- 1026 by the office.
- 1027 (b) Except as provided under Subsection (3), a member may not be employed by a
- 1028 participating employer in the system established by this chapter on the retirement
- 1029 date selected under Subsection (2)(a)(i).
- 1030 (3)(a) A member who is employed by a participating employer and who is also an
- 1031 elected official is not required to [~~cease service~~] terminate employment as an elected
- 1032 official to be qualified to receive an allowance under Subsection (1), unless the
- 1033 member is retiring from [~~service~~] employment as an elected official.
- 1034 (b) A member who is employed by a participating employer and who is also a part-time
- 1035 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 1036 to [~~cease service~~] terminate employment as a part-time appointed board member to be
- 1037 qualified to receive an allowance under Subsection (1).
- 1038 (c) A member who is employed by a participating employer, who is also an affiliated
- 1039 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 1040 is not required to [~~cease service~~] terminate employment as an affiliated emergency
- 1041 services worker to be qualified to receive an allowance under Subsection (1).
- 1042 (d) A member who is employed by a participating employer and who is also a part-time
- 1043 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 1044 agency is not required to [~~cease service~~] terminate employment as a part-time
- 1045 appointed or elected board member to be qualified to receive an allowance under
- 1046 Subsection (1).
- 1047 (4) An exemption from the requirement to [~~cease service~~] terminate employment and remain
- 1048 qualified to receive an allowance as provided in Subsection (3) is available only for a
- 1049 member who, at the time of retirement, is at least:
- 1050 (a) 50 years old, if the member is retiring from a public safety system or firefighter

1051 system; or

1052 (b) 55 years old.

1053 Section 14. Section **49-15-401** is amended to read:

1054 **49-15-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**  
1055 **retirement -- Qualifications.**

1056 (1) A member is qualified to receive an allowance from this system when:

1057 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
1058 ~~participating employer that employs the member~~] has a bona fide termination of  
1059 employment before the member's retirement date and provides evidence of the  
1060 termination;

1061 (b) the member has submitted to the office a retirement application form that states the  
1062 member's proposed retirement date; and

1063 (c) one of the following conditions is met as of the member's retirement date:

1064 (i) the member has accrued at least 20 years of service credit;

1065 (ii) the member has accrued at least 10 years of service credit and has attained an age  
1066 of 60 years; or

1067 (iii) the member has accrued at least four years of service and has attained an age of  
1068 65 years.

1069 (2)(a) The member's retirement date:

1070 (i) shall be the 1st or the 16th day of the month, as selected by the member;

1071 (ii) shall be on or after the date of termination; and

1072 (iii) may not be more than 90 days before or after the date the application is received  
1073 by the office.

1074 (b) Except as provided under Subsection (3), a member may not be employed by a  
1075 participating employer in the system established by this chapter on the retirement  
1076 date selected under Subsection (2)(a)(i).

1077 (3)(a) A member who is employed by a participating employer and who is also an  
1078 elected official is not required to [~~cease service~~] terminate employment as an elected  
1079 official to be qualified to receive an allowance under Subsection (1), unless the  
1080 member is retiring from [~~service~~] employment as an elected official.

1081 (b) A member who is employed by a participating employer and who is also a part-time  
1082 appointed board member, as described in Subsection 49-11-1203(2), is not required  
1083 to [~~cease service~~] terminate employment as a part-time appointed board member to be  
1084 qualified to receive an allowance under Subsection (1).

- 1085 (c) A member who is employed by a participating employer, who is also an affiliated  
 1086 emergency services worker as defined in Section 49-11-1202 for a different agency,  
 1087 is not required to [~~ease service~~] terminate employment as an affiliated emergency  
 1088 services worker to be qualified to receive an allowance under Subsection (1).
- 1089 (d) A member who is employed by a participating employer and who is also a part-time  
 1090 appointed or elected board member, as defined in Section 49-11-1202, for a different  
 1091 agency is not required to [~~ease service~~] terminate employment as a part-time  
 1092 appointed or elected board member to be qualified to receive an allowance under  
 1093 Subsection (1).
- 1094 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain  
 1095 qualified to receive an allowance as provided in Subsection (3) is available only for a  
 1096 member who, at the time of retirement, is at least:
- 1097 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
 1098 system; or
- 1099 (b) 55 years old.

1100 Section 15. Section **49-16-401** is amended to read:

1101 **49-16-401 (Effective 05/06/26). Eligibility for service retirement -- Date of**  
 1102 **retirement -- Qualifications.**

- 1103 (1) A member is qualified to receive an allowance from this system when:
- 1104 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
 1105 ~~participating employer that employs the member~~] has a bona fide termination of  
 1106 employment before the member's retirement date and provides evidence of the  
 1107 termination;
- 1108 (b) the member has submitted to the office a retirement application form that states the  
 1109 member's proposed retirement date; and
- 1110 (c) one of the following conditions is met as of the member's retirement date:
- 1111 (i) the member has accrued at least 20 years of service credit;
- 1112 (ii) the member has accrued at least 10 years of service credit and has attained an age  
 1113 of 60 years; or
- 1114 (iii) the member has accrued at least four years of service credit and has attained an  
 1115 age of 65 years.
- 1116 (2)(a) The member's retirement date:
- 1117 (i) shall be the 1st or the 16th day of the month, as selected by the firefighter service  
 1118 employee;

1119 (ii) shall be on or after the date of termination; and  
 1120 (iii) may not be more than 90 days before or after the date the application is received  
 1121 by the office.

1122 (b) Except as provided under Subsection (3), a member may not be employed by a  
 1123 participating employer in the system established by this chapter on the retirement  
 1124 date selected under Subsection (2)(a)(i).

1125 (3)(a) A member who is employed by a participating employer and who is also an  
 1126 elected official is not required to [~~cease service~~] terminate employment as an elected  
 1127 official to be qualified to receive an allowance under Subsection (1), unless the  
 1128 member is retiring from [~~service~~] employment as an elected official.

1129 (b) A member who is employed by a participating employer and who is also a part-time  
 1130 appointed board member, as described in Subsection 49-11-1203(2), is not required  
 1131 to [~~cease service~~] terminate employment as a part-time appointed board member to be  
 1132 qualified to receive an allowance under Subsection (1).

1133 (c) A member who is employed by a participating employer, who is also an affiliated  
 1134 emergency services worker as defined in Section 49-11-1202 for a different agency,  
 1135 is not required to [~~cease service~~] terminate employment as an affiliated emergency  
 1136 services worker to be qualified to receive an allowance under Subsection (1).

1137 (d) A member who is employed by a participating employer and who is also a part-time  
 1138 appointed or elected board member, as defined in Section 49-11-1202, for a different  
 1139 agency is not required to [~~cease service~~] terminate employment as a part-time  
 1140 appointed or elected board member to be qualified to receive an allowance under  
 1141 Subsection (1).

1142 (4) An exemption from the requirement to [~~cease service~~] terminate employment and remain  
 1143 qualified to receive an allowance as provided in Subsection (3) is available only for a  
 1144 member who, at the time of retirement, is at least:

1145 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
 1146 system; or

1147 (b) 55 years old.

1148 Section 16. Section **49-17-401** is amended to read:

1149 **49-17-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**  
 1150 **-- Qualifications.**

1151 (1) A member is qualified to receive an allowance when:

1152 (a) the member [~~ceases actual work for every participating employer that employs the~~

- 1153 member] has a bona fide termination of employment before the member's retirement  
 1154 date and provides evidence of the termination;
- 1155 (b) the member has submitted to the office a retirement application form that states the  
 1156 member's proposed retirement date; and
- 1157 (c) one of the following conditions is met as of the member's retirement date:
- 1158 (i) the member has accrued at least six years of service credit and has attained an age  
 1159 of 70 years;
- 1160 (ii) the member has accrued at least 10 years of service credit and has attained an age  
 1161 of 62 years;
- 1162 (iii) the member has accrued at least 20 years of service credit and has attained an age  
 1163 of 55 years; or
- 1164 (iv) the member has accrued at least 25 years of service credit.
- 1165 (2)(a) The member's retirement date:
- 1166 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1167 (ii) shall be on or after the date of termination; and
- 1168 (iii) may not be more than 90 days before or after the date the application is received  
 1169 by the office.
- 1170 (b) A member may not be employed by a participating employer in the system  
 1171 established by this chapter on the retirement date selected under Subsection (2)(a)(i).

1172 Section 17. Section **49-18-401** is amended to read:

1173 **49-18-401 (Effective 05/06/26). Eligibility for an allowance -- Date of retirement**  
 1174 **-- Qualifications.**

- 1175 (1) A member is qualified to receive an allowance when:
- 1176 (a) the member [~~ceases actual work for every participating employer that employs the~~  
 1177 member] has a bona fide termination of employment before the member's retirement  
 1178 date and provides evidence of the termination;
- 1179 (b) the member has submitted to the office a retirement application form that states the  
 1180 member's proposed retirement date; and
- 1181 (c) one of the following conditions is met as of the member's retirement date:
- 1182 (i) the member has accrued at least six years of service credit and has attained an age  
 1183 of 70 years;
- 1184 (ii) the member has accrued at least 10 years of service credit and has attained an age  
 1185 of 62 years;
- 1186 (iii) the member has accrued at least 20 years of service credit and has attained an age

- 1187 of 55 years; or
- 1188 (iv) the member has accrued at least 25 years of service credit.
- 1189 (2)(a) The member's retirement date:
- 1190 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1191 (ii) shall be on or after the date of termination; and
- 1192 (iii) may not be more than 90 days before or after the date the application is received
- 1193 by the office.
- 1194 (b) A member may not be employed by a participating employer in the system
- 1195 established by this chapter on the retirement date selected under Subsection (2)(a)(i).
- 1196 Section 18. Section **49-22-205** is amended to read:
- 1197 **49-22-205 (Effective 05/06/26). Exemptions from participation in system.**
- 1198 (1) Upon filing a written request for exemption with the office, the following employees are
- 1199 exempt from participation in the system as provided in this section:
- 1200 (a) an executive department head of the state;
- 1201 (b) a member of the State Tax Commission;
- 1202 (c) a member of the Public Service Commission;
- 1203 (d) a member of a full-time or part-time board or commission;
- 1204 (e) an employee of the Governor's Office of Planning and Budget;
- 1205 (f) an employee of the Governor's Office of Economic Opportunity;
- 1206 (g) an employee of the Commission on Criminal and Juvenile Justice;
- 1207 (h) an employee of the ~~[Governor's Office]~~ Office of the Governor;
- 1208 (i) an employee of the State Auditor's Office;
- 1209 (j) an employee of the State Treasurer's Office;
- 1210 (k) any other member who is permitted to make an election under Section 49-11-406;
- 1211 (l) a person appointed as a city manager or appointed as a city administrator or another
- 1212 at-will employee of a municipality, county, or other political subdivision;
- 1213 (m) an employee of an interlocal cooperative agency created under Title 11, Chapter 13,
- 1214 Interlocal Cooperation Act, who is engaged in a specialized trade customarily
- 1215 provided through membership in a labor organization that provides retirement
- 1216 benefits to its members;
- 1217 (n) an employee serving as an exchange employee from outside the state for an
- 1218 employer who has elected to make all of the employer's exchange employees eligible
- 1219 for service credit in this system;~~[-and]~~
- 1220 (o) the adjutant general of the Utah National Guard appointed under Section 39A-1-201

- 1221 and each individual listed in Subsection [~~39A-1-203(1).~~] 39A-1-203(1); and
- 1222 (p) an at-will employee who reports directly to:
- 1223 (i) the attorney general; or
- 1224 (ii) an employee who reports directly to the attorney general.
- 1225 (2)(a) A participating employer shall prepare and maintain a list designating those
- 1226 positions eligible for exemption under Subsection (1).
- 1227 (b) An employee may not be exempted unless the employee is employed in a position
- 1228 designated by the participating employer under Subsection (1).
- 1229 (3)(a) In accordance with this section, Section 49-12-203, and Section 49-13-203, a
- 1230 municipality, county, or political subdivision may not exempt a total of more than 50
- 1231 positions or a number equal to 10% of the eligible employees of the municipality,
- 1232 county, or political subdivision, whichever is less.
- 1233 (b) A municipality, county, or political subdivision may exempt at least one regular
- 1234 full-time employee.
- 1235 (4) Each participating employer shall:
- 1236 (a) maintain a list of employee exemptions; and
- 1237 (b) update an employee exemption in the event of any change.
- 1238 (5) Beginning on the effective date of the exemption for an employee who elects to be
- 1239 exempt in accordance with Subsection (1):
- 1240 (a) for a member of the Tier II defined contribution plan:
- 1241 (i) the participating employer shall contribute the nonelective contribution and the
- 1242 amortization rate described in Section 49-22-401, except that the nonelective
- 1243 contribution is exempt from the vesting requirements of Subsection
- 1244 49-22-401(3)(a);
- 1245 (ii) the member may make voluntary deferrals as provided in Section 49-22-401; and
- 1246 (iii) the member is not eligible for additional service credit in the plan for the period
- 1247 of exempt employment; and
- 1248 (b) for a member of the Tier II hybrid retirement system:
- 1249 (i) the participating employer shall contribute the nonelective contribution and the
- 1250 amortization rate described in Section 49-22-401, except that the contribution is
- 1251 exempt from the vesting requirements of Subsection 49-22-401(3)(a);
- 1252 (ii) the member may make voluntary deferrals as provided in Section 49-22-401; and
- 1253 (iii) the member is not eligible for additional service credit in the system for the
- 1254 period of exempt employment.

- 1255 (6) If an employee who is a member of the Tier II hybrid retirement system subsequently  
1256 revokes the election of exemption made under Subsection (1), the provisions described  
1257 in Subsection (5)(b) shall no longer be applicable and the coverage for the employee  
1258 shall be effective prospectively as provided in Part 3, Tier II Hybrid Retirement System.
- 1259 (7)(a) All employer contributions made on behalf of an employee shall be invested in  
1260 accordance with Subsection 49-22-303(3)(a) or 49-22-401(4)(a) until the one-year  
1261 election period under Subsection 49-22-201(2)(c) is expired if the employee:  
1262 (i) elects to be exempt in accordance with Subsection (1); and  
1263 (ii) continues employment with the participating employer through the one-year  
1264 election period under Subsection 49-22-201(2)(c).
- 1265 (b) An employee is entitled to receive a distribution of the employer contributions made  
1266 on behalf of the employee and all associated investment gains and losses if the  
1267 employee:  
1268 (i) elects to be exempt in accordance with Subsection (1); and  
1269 (ii) terminates employment prior to the one-year election period under Subsection  
1270 49-22-201(2)(c).
- 1271 (8)(a) The office shall make rules to implement this section.
- 1272 (b) The rules made under this Subsection (8) shall include provisions to allow the  
1273 exemption provided under Subsection (1) to apply to all contributions made  
1274 beginning on or after July 1, 2011, on behalf of an exempted employee who began  
1275 the employment before May 8, 2012.
- 1276 (9) An employee's exemption, participation, or election described in this section:  
1277 (a) shall be made in accordance with this section; and  
1278 (b) is subject to requirements under federal law and rules made by the board.
- 1279 Section 19. Section **49-22-304** is amended to read:  
1280 **49-22-304 (Effective 05/06/26). Defined benefit eligibility for an allowance --**  
1281 **Date of retirement -- Qualifications.**
- 1282 (1) A member is qualified to receive an allowance from this system when:  
1283 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
1284 ~~participating employer that employs the member~~] has a bona fide termination of  
1285 employment before the member's retirement date and provides evidence of the  
1286 termination;  
1287 (b) the member has submitted to the office a retirement application form that states the  
1288 member's proposed retirement date; and

- 1289 (c) one of the following conditions is met as of the member's retirement date:
- 1290 (i) the member has accrued at least four years of service credit and has attained an
- 1291 age of 65 years;
- 1292 (ii) the member has accrued at least 10 years of service credit and has attained an age
- 1293 of 62 years;
- 1294 (iii) the member has accrued at least 20 years of service credit and has attained an age
- 1295 of 60 years; or
- 1296 (iv) the member has accrued at least 35 years of service credit.
- 1297 (2)(a) The member's retirement date:
- 1298 (i) shall be the 1st or the 16th day of the month, as selected by the member;
- 1299 (ii) shall be on or after the date of termination; and
- 1300 (iii) may not be more than 90 days before or after the date the application is received
- 1301 by the office.
- 1302 (b) Except as provided under Subsection (3), a member may not be employed by a
- 1303 participating employer in the system established by this chapter on the retirement
- 1304 date selected under Subsection (2)(a)(i).
- 1305 (3)(a) A member who is employed by a participating employer and who is also an
- 1306 elected official is not required to ~~[ease service]~~ terminate employment as an elected
- 1307 official to be qualified to receive an allowance under Subsection (1), unless the
- 1308 member is retiring from ~~[service]~~ employment as an elected official.
- 1309 (b) A member who is employed by a participating employer and who is also a part-time
- 1310 appointed board member, as described in Subsection 49-11-1203(2), is not required
- 1311 to ~~[ease service]~~ terminate employment as a part-time appointed board member to be
- 1312 qualified to receive an allowance under Subsection (1).
- 1313 (c) A member who is employed by a participating employer, who is also an affiliated
- 1314 emergency services worker as defined in Section 49-11-1202 for a different agency,
- 1315 is not required to ~~[ease service]~~ terminate employment as an affiliated emergency
- 1316 services worker to be qualified to receive an allowance under Subsection (1).
- 1317 (d) A member who is employed by a participating employer and who is also a part-time
- 1318 appointed or elected board member, as defined in Section 49-11-1202, for a different
- 1319 agency is not required to ~~[ease service]~~ terminate employment as a part-time
- 1320 appointed or elected board member to be qualified to receive an allowance under
- 1321 Subsection (1).
- 1322 (4) An exemption from the requirement to ~~[ease service]~~ terminate employment and remain

1323 qualified to receive an allowance as provided in Subsection (3) is available only for a  
1324 member who, at the time of retirement, is at least:

- 1325 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
1326 system; or  
1327 (b) 55 years old.

1328 Section 20. Section **49-23-303** is amended to read:

1329 **49-23-303 (Effective 05/06/26). Defined benefit eligibility for an allowance --**  
1330 **Date of retirement -- Qualifications.**

1331 (1) A member is qualified to receive an allowance from this system when:

1332 (a) except as provided under Subsection (3), the member [~~ceases actual work for every~~  
1333 ~~participating employer that employs the member~~] has a bona fide termination of  
1334 employment before the member's retirement date and provides evidence of the  
1335 termination;

1336 (b) the member has submitted to the office a retirement application form that states the  
1337 member's proposed retirement date; and

1338 (c) one of the following conditions is met as of the member's retirement date:

1339 (i) the member has accrued at least four years of service credit and has attained an  
1340 age of 65 years;

1341 (ii) the member has accrued at least 10 years of service credit and has attained an age  
1342 of 62 years;

1343 (iii) the member has accrued at least 20 years of service credit and has attained an age  
1344 of 60 years; or

1345 (iv) the member has accrued at least 25 years of service credit.

1346 (2)(a) The member's retirement date:

1347 (i) shall be the 1st or the 16th day of the month, as selected by the member;

1348 (ii) shall be on or after the date of termination; and

1349 (iii) may not be more than 90 days before or after the date the application is received  
1350 by the office.

1351 (b) Except as provided under Subsection (3), a member may not be employed by a  
1352 participating employer in the system established by this chapter on the retirement  
1353 date selected under Subsection (2)(a)(i).

1354 (3)(a) A member who is employed by a participating employer and who is also an  
1355 elected official is not required to [~~cease service~~] terminate employment as an elected  
1356 official to be qualified to receive an allowance under Subsection (1), unless the

- 1357 member is retiring from [~~service~~] employment as an elected official.
- 1358 (b) A member who is employed by a participating employer and who is also a part-time  
1359 appointed board member, as described in Subsection 49-11-1203(2), is not required  
1360 to [~~ease service~~] terminate employment as a part-time appointed board member to be  
1361 qualified to receive an allowance under Subsection (1).
- 1362 (c) A member who is employed by a participating employer, who is also an affiliated  
1363 emergency services worker as defined in Section 49-11-1202 for a different agency,  
1364 is not required to [~~ease service~~] terminate employment as an affiliated emergency  
1365 services worker to be qualified to receive an allowance under Subsection (1).
- 1366 (d) A member who is employed by a participating employer and who is also a part-time  
1367 appointed or elected board member, as defined in Section 49-11-1202, for a different  
1368 agency is not required to [~~ease service~~] terminate employment as a part-time  
1369 appointed or elected board member to be qualified to receive an allowance under  
1370 Subsection (1).
- 1371 (4) An exemption from the requirement to [~~ease service~~] terminate employment and remain  
1372 qualified to receive an allowance as provided in Subsection (3) is available only for a  
1373 member who, at the time of retirement, is at least:
- 1374 (a) 50 years old, if the member is retiring from a public safety system or firefighter  
1375 system; or
- 1376 (b) 55 years old.

1377 Section 21. **Effective Date.**

1378 This bill takes effect on May 6, 2026.