

1                                   **UTAH STATE RETIREMENT SYSTEMS REVISIONS**  
2                                   2024 GENERAL SESSION  
3                                   STATE OF UTAH  
4                                   **Chief Sponsor: Wayne A. Harper**  
5                                   House Sponsor: Cheryl K. Acton

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7 **LONG TITLE**

8 **General Description:**

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

10 **Highlighted Provisions:**

11       This bill:

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

25 **Money Appropriated in this Bill:**

26       None

27 **Other Special Clauses:**

      None

**Utah Code Sections Affected:**

AMENDS:

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

28 **49-11-602**, as last amended by Laws of Utah 2017, Chapter 141  
 29 **49-11-604**, as last amended by Laws of Utah 2018, Chapter 10  
 30 **49-11-613**, as last amended by Laws of Utah 2023, Chapter 37  
 31 **49-12-405**, as last amended by Laws of Utah 2016, Chapter 84  
 32 **49-13-405**, as last amended by Laws of Utah 2016, Chapter 84  
 33 **49-22-502**, as last amended by Laws of Utah 2016, Chapter 84  
 34 **49-23-502**, as last amended by Laws of Utah 2016, Chapter 84

35

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

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

38 **49-11-306 . Definitions -- Scrutinized companies investment report -- Content --**  
 39 **Reporting -- Exceptions.**

40 (1) As used in this section:

- 41 (a) "Active business operations" means all business operations that are not inactive  
 42 business operations.
- 43 (b) (i) "Business operations" means investing, with actual knowledge on or after  
 44 August 5, 1996, in Iran's petroleum sector which investment directly and  
 45 significantly contributes to the enhancement of Iran's ability to develop the  
 46 petroleum resources of Iran.
- 47 (ii) "Business operations" does not include the retail sale of gasoline and related  
 48 consumer products.
- 49 (c) "Company" means any foreign sole proprietorship, organization, association,  
 50 corporation, partnership, joint venture, limited partnership, limited liability  
 51 partnership, limited liability company, or any other foreign entity or business  
 52 association, including all wholly-owned subsidiaries, majority-owned subsidiaries or  
 53 parent companies or affiliates of these entities or business associations, that exists for  
 54 the purpose of making a profit.
- 55 (d) (i) "Direct holdings" means all publicly traded equity securities of a company that  
 56 are held directly by the [public] investment fund or in an account or fund in which  
 57 the [public] investment fund owns all shares or interests.
- 58 (ii) "Direct holdings" does not include publicly traded equity securities of a company  
 59 held as part of a passive indexing investment strategy.
- 60 (e) "Inactive business operations" means the continued holding or renewal of rights to  
 61 property previously operated for the purpose of generating revenues but not presently

- 62            deployed for that purpose.
- 63            (f) "Investment fund" means the Utah State Retirement Investment Fund created in  
64            Section 49-11-301.
- 65            [(f)] (g) "Iran" means the Islamic Republic of Iran.
- 66            [(g)] (h) "Petroleum resources" means petroleum or natural gas.
- 67            [(h) "~~Public fund" means the Utah State Retirement Investment Fund created under~~  
68            ~~Section 49-11-301.~~]
- 69            (i) "Scrutinized business operations" means any active business operations that:
- 70            (i) are subject to or liable for sanctions under Public Law 104-172, the Iran Sanctions  
71            Act of 1996, as amended; and
- 72            (ii) involve the maintenance of:
- 73            (A) the company's existing assets or investments in Iran; or  
74            (B) the deployment of new investments to Iran that meet or exceed the threshold  
75            referred to in Public Law 104-172, the Iran Sanctions Act of 1996, as amended.
- 76            (j) "Scrutinized company" means any company engaging in scrutinized business  
77            operations.
- 78            (2) (a) (i) The Utah State Retirement Office shall identify [~~those~~] the scrutinized  
79            companies in which the [~~public~~] investment fund has direct holdings.
- 80            (ii) In making the determination, the board shall review and rely on publicly  
81            available information regarding companies with business operations in Iran,  
82            including information provided by nonprofit organizations, research firms,  
83            international organizations, and government entities.
- 84            (b) The office shall assemble a list of all identified scrutinized companies.
- 85            (c) The office shall update the list, on an annual basis, with information provided and  
86            received from those entities listed in Subsection (2)(a).
- 87            (3) The office shall prepare an annual report of [~~public~~] investment fund investments in  
88            scrutinized companies.
- 89            (4) The report shall include amounts and other data and statistics designed to explain the  
90            past and current extent to which public fund investments in scrutinized companies:
- 91            (a) are present; and  
92            (b) are being prevented under Subsection (6).
- 93            (5) The report shall be provided to the governor, the board, the president of the Senate, the  
94            speaker of the House of Representatives, and to each member and staff of the  
95            Retirement and Independent Entities Committee created under Section 63E-1-201.

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

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

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

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

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

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

107 (a) money invested in a defined contribution plan as defined under Section 49-11-102; or

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

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

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

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

112 **49-11-602 . Participating employer to maintain records -- Time limit -- Penalties**  
 113 **for failure to comply.**

114 (1) A participating employer shall:

115 (a) maintain records necessary to calculate benefits under this title and other records  
 116 necessary for proper administration of this title as required by the office; and

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

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

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

125 (2) A participating employer shall maintain all records necessary to support the  
 126 participating employer's reports and certifications required by Section 49-11-603.

127 [~~(2)~~] (3) A participating employer shall maintain the records required under [~~Subsection (1)~~]  
 128 Subsections (1) and (2) until the earliest of:

129 (a) three years after the date of retirement of the employee from a system or plan;

- 130 (b) three years after the date of death of the employee; or  
131 (c) 65 years from the date of employment with the participating employer.
- 132 ~~[(3)]~~ (4) A participating employer shall be liable to the office for:
- 133 (a) any liabilities and expenses, including administrative expenses and the cost of  
134 increased benefits to members, resulting from the participating employer's failure to  
135 maintain records under this section; and
- 136 (b) a penalty equal to 1% of the participating employer's last month's contributions.
- 137 ~~[(4)]~~ (5) The executive director may waive all or any part of the interest, penalties, expenses,  
138 and fees if the executive director finds there were extenuating circumstances  
139 surrounding the participating employer's failure to comply with this section.
- 140 ~~[(5)]~~ (6) The office may estimate the length of service, compensation, or age of any  
141 member, if that information is not contained in the records.
- 142 ~~[(6)]~~ (7) (a) A participating employer shall enroll an employee, make reports, submit  
143 contributions, and provide other requested information electronically in a manner  
144 approved by the office.
- 145 (b) A participating employer shall treat any information provided electronically or  
146 otherwise by the office as subject to the confidentiality provisions of this title.
- 147 Section 3. Section **49-11-604** is amended to read:
- 148 **49-11-604 . Office audits of participating employers -- Penalties for failure to**  
149 **comply.**
- 150 (1) (a) The office may perform an on-site compliance audit of a participating employer  
151 to determine compliance with reporting, contribution, and certification requirements  
152 under this title.
- 153 (b) The office or its independent auditor may perform an on-site compliance audit of a  
154 participating employer or request records to be provided by the participating  
155 employer, including records required to complete:
- 156 (i) audited financial statements;  
157 (ii) schedules of employer allocations and pension reporting in accordance with  
158 Governmental Accounting Standards Board statements; and  
159 (iii) service organizational controls reports.
- 160 (c) The office may request records to be provided by the participating employer at the  
161 time of the audit.
- 162 (d) Audits shall be conducted at the sole discretion of the office after reasonable notice  
163 to the participating employer of at least five working days.

- 164 (e) The participating employer shall extract and provide records as requested by the  
 165 office in an appropriate, organized, and usable format.
- 166 (f) Failure of a participating employer to allow access, provide records, or comply in any  
 167 way with an office audit shall result in the participating employer being liable to the  
 168 office for:
- 169 (i) any liabilities and expenses, including administrative expenses and travel  
 170 expenses, resulting from the participating employer's failure to comply with the  
 171 audit; and
- 172 (ii) a penalty equal to 1% of the participating employer's last month's contributions.
- 173 (2) If the audit reveals a participating employer's failure to make contributions as required  
 174 under Section 49-11-601, a failure to maintain records as required under Section  
 175 49-11-602, or a failure to correctly report or certify eligibility as required under Section  
 176 49-11-603, the participating employer shall ~~[reimburse]~~ be liable to the office for [the  
 177 cost of the audit.] :
- 178 (a) any liability or expense, including an administrative expense or the cost of increased  
 179 benefits to members, resulting from the participating employer's failure to fully  
 180 comply with the participating employer's reporting, contribution, certification, or  
 181 record keeping requirements under this title; and
- 182 (b) a penalty, not to exceed 50% of the participating employer's total contributions for  
 183 the time period of the error.
- 184 (3) If the audit reveals that an incorrect benefit has been paid by the office to a member,  
 185 participant, alternate payee, or beneficiary due to a participating employer's failure to  
 186 comply with the requirements of Section 49-11-601, 49-11-602, or 49-11-603, in  
 187 addition to the liabilities contained in Subsection (2), the participating employer shall be  
 188 liable to the office for the following:
- 189 (a) the actuarial cost of correcting the incorrect benefit; and  
 190 (b) administrative expenses.
- 191 (4) The executive director may waive all or any part of the interest, penalties, expenses, and  
 192 fees if the executive director finds there were extenuating circumstances surrounding the  
 193 participating employer's failure to comply with this section.

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

195 **49-11-613 . Appeals procedure -- Right of appeal to hearing officer -- Board**  
 196 **reconsideration -- Judicial review -- Docketing abstract of final administrative**  
 197 **order.**

- 198 (1) (a) A member, retiree, participant, alternative payee, covered individual, employer,  
199 participating employer, and covered employer shall inform themselves of their  
200 benefits, rights, obligations, and employment rights under this title.
- 201 (b) Subject to Subsection (8), any dispute regarding a benefit, right, obligation, or  
202 employment right under this title is subject to the procedures provided under this  
203 section.
- 204 (c) (i) A person who disputes a benefit, right, obligation, or employment right under  
205 this title shall request a ruling by the executive director who may delegate the  
206 decision to the deputy director.
- 207 (ii) A request for a ruling to the executive director under this section shall constitute  
208 the initiation of an action for purposes of the limitations periods described in  
209 Section 49-11-613.5.
- 210 (d) A person who is dissatisfied by a ruling under Subsection (1)(c) with respect to any  
211 benefit, right, obligation, or employment right under this title may request a review of  
212 that claim by a hearing officer within the time period described in Section  
213 49-11-613.5.
- 214 (e) (i) The executive director, on behalf of the board, may request that the hearing  
215 officer review a dispute regarding any benefit, right, obligation, or employment  
216 right under this title by filing a notice of board action and providing notice to all  
217 affected parties in accordance with rules adopted by the board.
- 218 (ii) The filing of a notice of board action shall constitute the initiation of an action for  
219 purposes of the limitations periods described in Section 49-11-613.5.
- 220 (2) The hearing officer shall:
- 221 (a) be hired by the executive director after consultation with the board;
- 222 (b) follow and enforce the procedures and requirements of:
- 223 (i) this title;
- 224 (ii) the rules adopted by the board in accordance with Subsection (10); and
- 225 (iii) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically  
226 modified under this title or the rules adopted by the board in accordance with  
227 Subsection (10);
- 228 (c) hear and determine all facts relevant to a decision, including facts pertaining to  
229 applications for benefits under any system, plan, or program under this title and all  
230 matters pertaining to the administration of the office; and
- 231 (d) make conclusions of law in determining the person's rights under any system, plan,

- 232 or program under this title and matters pertaining to the administration of the office.
- 233 (3) The board shall review and approve or deny all [~~decisions~~] final orders and judgments of  
234 the hearing officer in accordance with rules adopted by the board in accordance with  
235 Subsection (10).
- 236 (4) The moving party in any proceeding brought under this section shall bear the burden of  
237 proof.
- 238 (5) A party may file an application for reconsideration by the board upon any of the  
239 following grounds:
- 240 (a) that the board acted in excess of the board's powers;
- 241 (b) that the order or the award was procured by fraud;
- 242 (c) that the evidence does not justify the determination of the hearing officer; or
- 243 (d) that the party has discovered new material evidence that could not, with reasonable  
244 diligence, have been discovered or procured prior to the hearing.
- 245 (6) The board shall affirm, reverse, or modify the [~~decision~~] final order or judgment of the  
246 hearing officer, or remand the application to the hearing officer for further consideration.
- 247 (7) A party aggrieved by the board's final decision under Subsection (6) may obtain judicial  
248 review by complying with the procedures and requirements of:
- 249 (a) this title;
- 250 (b) rules adopted by the board in accordance with Subsection (10); and
- 251 (c) Title 63G, Chapter 4, Administrative Procedures Act, except as specifically modified  
252 under this title or the rules adopted by the board in accordance with Subsection (10).
- 253 (8) The program shall provide an appeals process for medical claims that complies with  
254 federal law.
- 255 (9) (a) (i) Any interested party may file, in a district court of any county in the state,  
256 an abstract of a final administrative order approved by the board in accordance  
257 with this section.
- 258 (ii) Upon receiving the filing of an abstract, the clerk of the district court shall:
- 259 (A) docket the abstract; and
- 260 (B) note the date of the abstract's receipt on the abstract and in the docket.
- 261 (b) (i) From the day on which an interested party files the abstract with a district  
262 court, the final administrative order approved by the board is a lien upon the real  
263 property of the obligor situated in that county.
- 264 (ii) Unless satisfied, the lien is for a period of eight years after the day on which the  
265 board approves the final administrative order.



- 266 (c) The final administrative order approved by the board fixing the liability of the  
267 obligor has the same effect as any other money judgment entered by a district court.
- 268 (d) (i) Except as provided in Subsection (9)(d)(ii), an attachment, a garnishment, or  
269 an execution on a judgment included in or accruing under a final administrative  
270 order approved by the board and filed and docketed in accordance with Subsection  
271 (9)(a) has the same manner and same effect as an attachment, a garnishment, or an  
272 execution on a judgment of a district court.
- 273 (ii) A writ of garnishment on earnings continues to operate, and to require the  
274 garnishee to withhold the nonexempt portion of earnings at each succeeding  
275 earnings disbursement interval, until the office or a court releases the writ of  
276 garnishment in writing.
- 277 (e) The lien and enforcement remedies provided by this section are in addition to any  
278 other lien or remedy provided by law.
- 279 (f) A party may bring an action upon a final administrative order approved by the board  
280 within eight years after the day on which the board approves the final administrative  
281 order.
- 282 (g) A final administrative order may be renewed administratively by complying with the  
283 procedures and requirements provided in rule adopted by the board in accordance  
284 with Subsection (10).
- 285 (10) (a) The board shall make rules to implement this section and to establish procedures  
286 and requirements for adjudicative proceedings.
- 287 (b) The rules shall be substantially similar to or incorporate provisions of the Utah Rules  
288 of Civil Procedure, the Utah Rules of Evidence, and Title 63G, Chapter 4,  
289 Administrative Procedures Act.
- 290 Section 5. Section **49-12-405** is amended to read:
- 291 **49-12-405 . Death of married member -- Service retirement benefits to surviving**  
292 **spouse.**
- 293 (1) Upon the request of a deceased member's surviving spouse, the deceased member is  
294 considered to have retired under Option Three on the first day of the month following  
295 the month in which the member died if the following requirements are met:
- 296 (a) the member has:
- 297 (i) 25 or more years of service credit;
- 298 (ii) attained age 60 with 20 or more years of service credit;
- 299 (iii) attained age 62 with 10 or more years of service credit; or

- 300 (iv) attained age 65 with four or more years of service credit; and  
 301 (b) the member dies leaving a surviving spouse.
- 302 (2) The surviving spouse who requests a benefit under this section shall apply in writing to  
 303 the office. The allowance shall begin on the first day of the month:  
 304 (a) following the month in which the member died, if the application is received by the  
 305 office within 90 days of the member's death; or  
 306 (b) following the month in which the application is received by the office, if the  
 307 application is received by the office more than 90 days after the member's death.
- 308 (3) The Option Three benefit calculation, when there are 25 or more years of service credit,  
 309 shall be calculated without a reduction in allowance under Section 49-12-402.
- 310 (4) The benefit calculation for a surviving spouse with a valid domestic relations order  
 311 benefits on file with the office before the member's death date in accordance with  
 312 Section 49-11-612 is calculated according to the manner in which the court order  
 313 specified benefits to be partitioned, whether as a fixed amount or as a percentage of the  
 314 benefit.
- 315 (5) (a) Except for a return of member contributions, benefits payable under this section  
 316 are retirement benefits and shall be paid in addition to any payments made under  
 317 Section 49-12-501 [~~and constitute a full and final settlement of the claim of the~~  
 318 ~~surviving spouse or any other beneficiary filing claim for benefits under Section~~  
 319 ~~49-12-501~~].
- 320 (b) Payments made under this section and Section 49-12-501 shall constitute a full and  
 321 final settlement of the claim of the surviving spouse or any other beneficiary.
- 322 (6) If the death benefits under this section are partitioned among more than one surviving  
 323 spouse due to domestic relations order benefits on file with the office before the  
 324 member's death date in accordance with Section 49-11-612, the total amount received by  
 325 the surviving spouses may not exceed the death benefits normally provided to one  
 326 surviving spouse under this section.

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

328 **49-13-405 . Death of married members -- Service retirement benefits to surviving**  
 329 **spouse.**

- 330 (1) As used in this section, "member's full allowance" means an Option Three allowance  
 331 calculated under Section 49-13-402 without an actuarial reduction.
- 332 (2) Upon the request of a deceased member's surviving spouse, the deceased member is  
 333 considered to have retired under Option Three on the first day of the month following

- 334 the month in which the member died if the following requirements are met:
- 335 (a) the member has:
- 336 (i) 15 or more years of service credit;
- 337 (ii) attained age 62 with 10 or more years of service credit; or
- 338 (iii) attained age 65 with four or more years of service credit; and
- 339 (b) the member dies leaving a surviving spouse.
- 340 (3) The surviving spouse who requests a benefit under this section shall apply in writing to
- 341 the office. The allowance shall begin on the first day of the month:
- 342 (a) following the month in which the member died, if the application is received by the
- 343 office within 90 days of the member's death; or
- 344 (b) following the month in which the application is received by the office, if the
- 345 application is received by the office more than 90 days after the member's death.
- 346 (4) The allowance payable to a surviving spouse under Subsection (2) is:
- 347 (a) if the member has 25 or more years of service credit at the time of death, the
- 348 surviving spouse shall receive the member's full allowance;
- 349 (b) if the member has between 20-24 years of service credit and is not age 60 or older at
- 350 the time of death, the surviving spouse shall receive two-thirds of the member's full
- 351 allowance;
- 352 (c) if the member has between 15-19 years of service credit and is not age 62 or older at
- 353 the time of death, the surviving spouse shall receive one-third of the member's full
- 354 allowance; or
- 355 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or
- 356 older with 10 or more years of service credit, or age 65 or older with four or more
- 357 years of service credit at the time of death, the surviving spouse shall receive an
- 358 Option Three benefit with actuarial reductions.
- 359 (5) The benefit calculation for a surviving spouse with a valid domestic relations order
- 360 benefits on file with the office before the member's death date in accordance with
- 361 Section 49-11-612 is calculated according to the manner in which the court order
- 362 specified benefits to be partitioned, whether as a fixed amount or as a percentage of the
- 363 benefit.
- 364 (6) (a) Except for a return of member contributions, benefits payable under this section
- 365 are retirement benefits and shall be paid in addition to any other payments made
- 366 under Section 49-13-501 [~~and shall constitute a full and final settlement of the claim~~
- 367 ~~of the surviving spouse or any other beneficiary filing a claim for benefits under~~

368 ~~Section 49-13-501].~~

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

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

376 Section 7. Section **49-22-502** is amended to read:

377 **49-22-502 . Death of married members -- Service retirement benefits to surviving**  
 378 **spouse.**

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

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

384 (a) the member has:

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

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

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

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

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

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

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

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

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

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

401 (c) if the member has between 15-19 years of service credit and is not age 62 or older at

- 402 the time of death, the surviving spouse shall receive 1/3 of the member's full  
403 allowance; or
- 404 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or  
405 older with 10 or more years of service credit, or age 65 or older with four or more  
406 years of service credit at the time of death, the surviving spouse shall receive an  
407 Option Three benefit with actuarial reductions.
- 408 (5) The benefit calculation for a surviving spouse with a valid domestic relations order  
409 benefits on file with the office before the member's death date in accordance with  
410 Section 49-11-612 is calculated according to the manner in which the court order  
411 specified benefits to be partitioned, whether as a fixed amount or as a percentage of the  
412 benefit.
- 413 (6) (a) Except for a return of member contributions, benefits payable under this section  
414 are retirement benefits and shall be paid in addition to any other payments made  
415 under Section 49-22-501 [~~and shall constitute a full and final settlement of the claim~~  
416 ~~of the surviving spouse or any other beneficiary filing a claim for benefits under~~  
417 ~~Section 49-22-501~~].
- 418 (b) Payments made under this section and Section 49-22-501 shall constitute a full and  
419 final settlement of the claim of the surviving spouse or any other beneficiary.
- 420 (7) If the death benefits under this section are partitioned among more than one surviving  
421 spouse due to domestic relations order benefits on file with the office before the  
422 member's death date in accordance with Section 49-11-612, the total amount received by  
423 the surviving spouses may not exceed the death benefits normally provided to one  
424 surviving spouse under this section.

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

426 **49-23-502 . Death of married members -- Service retirement benefits to surviving**  
427 **spouse.**

- 428 (1) As used in this section, "member's full allowance" means an Option Three allowance  
429 calculated under Section 49-23-304 without an actuarial reduction.
- 430 (2) Upon the request of a deceased member's surviving spouse at the time of the member's  
431 death, the deceased member is considered to have retired under Option Three on the first  
432 day of the month following the month in which the member died if the following  
433 requirements are met:
- 434 (a) the member has:
- 435 (i) 15 or more years of service credit;

- 436 (ii) attained age 62 with 10 or more years of service credit; or  
437 (iii) attained age 65 with four or more years of service credit; and  
438 (b) the member dies leaving a surviving spouse.
- 439 (3) The surviving spouse who requests a benefit under this section shall apply in writing to  
440 the office. The allowance shall begin on the first day of the month:  
441 (a) following the month in which the member died, if the application is received by the  
442 office within 90 days of the member's death; or  
443 (b) following the month in which the application is received by the office, if the  
444 application is received by the office more than 90 days after the member's death.
- 445 (4) The allowance payable to a surviving spouse under Subsection (2) is:  
446 (a) if the member has 25 or more years of service credit at the time of death, the  
447 surviving spouse shall receive the member's full allowance;  
448 (b) if the member has between 20-24 years of service credit and is not age 60 or older at  
449 the time of death, the surviving spouse shall receive two-thirds of the member's full  
450 allowance;  
451 (c) if the member has between 15-19 years of service credit and is not age 62 or older at  
452 the time of death, the surviving spouse shall receive one-third of the member's full  
453 allowance; or  
454 (d) if the member is age 60 or older with 20 or more years of service credit, age 62 or  
455 older with 10 or more years of service credit, or age 65 or older with four or more  
456 years of service credit at the time of death, the surviving spouse shall receive an  
457 Option Three benefit with actuarial reductions.
- 458 (5) The benefit calculation for a surviving spouse with a valid domestic relations order  
459 benefits on file with the office before the member's death date in accordance with  
460 Section 49-11-612 is calculated according to the manner in which the court order  
461 specified benefits to be partitioned, whether as a fixed amount or as a percentage of the  
462 benefit.
- 463 (6) (a) Except for a return of member contributions, benefits payable under this section  
464 are retirement benefits and shall be paid in addition to any other payments made  
465 under Section 49-23-501 [and shall constitute a full and final settlement of the claim  
466 of the surviving spouse or any other beneficiary filing a claim for benefits under  
467 Section 49-23-501].  
468 (b) Payments made under this section and Section 49-23-501 shall constitute a full and  
469 final settlement of the claim of the surviving spouse or any other beneficiary.

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

475 Section 9. **Effective date.**

476 This bill takes effect on May 1, 2024.