

RESOLUTION #2002-04 SALARY CREDIT ON DUAL EMPLOYMENT

(Amended by Resolution #2016-01)

June 4, 2002

WHEREAS, Utah Code Annotated § 49-11-103(2) states that Title 49 shall be “liberally construed” to provide “maximum benefits” for members of the retirement systems “consistent with sound fiduciary and actuarial principles”; and

WHEREAS, Utah Code Annotated § 49-11-203(1)(k) grants the Board the specific authority to interpret and define any provision and term under this Title when the Board or Office provides written documentation which demonstrates that the interpretation or definition promotes uniformity in the administration of the systems or maintains the actuarial soundness of the systems, plans or programs; and

WHEREAS, Utah Code Annotated § 49-12-102 and § 49-13-102 requires that a member’s “final average salary” be computed taking an average of the highest years of “annual compensation preceding retirement”; and¹

WHEREAS, Utah Code Annotated § 49-12-102 and § 49-13-102 defines “compensation” as “the total amount of payments made by a participating employer to a member of this system for services rendered to the participating employer . . .”; and²

WHEREAS, pursuant to previous Board Resolution #1985-08 the Retirement Office was required to determine whether a second position with the same employer should be included in a member’s “compensation” by determining whether the second employment was “substantially related” to the “primary mission” of the employer; and

WHEREAS, the number, type, and availability of second positions have increased resulting in inconsistencies and difficulties in determining which employment is “substantially related” to the “primary mission” of the employer; and

WHEREAS, such inconsistencies result in differences in the final average salary of members employed by participating employers thereby affecting the amount of the member’s retirement benefits; and

¹ Deleted “§ 49-12-102(2) and § 49-13-102(2)” and inserted “§ 49-12-102 and § 49-13-102” per Board Resolution #2016-01 Master Resolution Amendments and Repealer

² Deleted “§ 49-12-102(1)(a) and § 49-13-102(1)(a)” and inserted “§ 49-12-102 and § 49-13-102” per Board Resolution #2016-01 Master Resolution Amendments and Repealer

RESOLUTION #2002-04 SALARY CREDIT ON DUAL EMPLOYMENT (CONTINUED)

WHEREAS, the Board desires to maintain uniformity and fairness in the administration of the systems by establishing a uniform rule for participating employers and members on reporting contributions on a member's salary;

NOW, THEREFORE, BE IT RESOLVED that once an employee meets eligibility requirements for service credit in one position or by combining positions under Board Resolution #1999-08 in the Public Employees' Contributory System under Utah Code Annotated § 49-12-101 et. seq., or the Public Employees' Non-contributory System under Utah Code Annotated § 49-13-101 et. seq. with a participating employer, all compensation received by an employee from that participating employer for services performed during the period the employee was eligible for service credit must be reported by the participating employer to the Retirement Office, and the participating employer and employee must make the required contributions thereon.

BE IT FURTHER RESOLVED that Board Resolutions #1985-08, #1999-05, and any other prior Board Resolutions inconsistent with this Resolution, are repealed.

BE IT FURTHER RESOLVED that the attached documents: Summary of Position Combinations, Memo from Vilate Whittle to the Salt Lake School District unit file dated March 13, 2002, and Memo from Vilate Whittle to the Granite School District unit file dated May 3, 2002, are incorporated as part of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect on July 1, 2002.