

**LOCAL PUBLIC SAFETY AND FIREFIGHTER SURVIVING
SPOUSE TRUST FUND AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: Timothy D. Hawkes

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

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

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

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

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

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

(a) for health coverage for the surviving spouse, until the surviving spouse becomes eligible for Medicare; and

(b) for health coverage of a child, until the child reaches the age of 26.

(3) This section does not apply to a member who:

(a) does not qualify for a line-of-duty death benefit under Title 49, Utah State Retirement and Insurance Benefit Act;

(b) at the time of death, did not receive or qualify to receive employer group health coverage; or

(c) is covered under Section 49-20-406.

Section 2. Section 53-17-301 is amended to read:

53-17-301. Cost-sharing agreements -- Deadlines -- Terms -- Reports -- Rulemaking.

(1) An employer ~~[may elect to]~~ shall participate in the trust fund by:

(a) entering into a cost-sharing agreement with the commissioner under this section; and

(b) paying the cost-sharing rate determined by the board.

(2) (a) ~~[An employer that does not participate in the trust fund by entering into a cost-sharing agreement in accordance with this section, shall pay the full amount required under Subsection 53-17-201(1)(b)(i). (b)]~~ Subject to the terms of the cost-sharing agreement, an employer that ~~[elects to participate]~~ participates in accordance with this section, and stays current with its payments, shall be considered to have paid the employer's full obligation under Subsection 53-17-201(1)(b)(~~(i)~~(f)).

~~[(c)]~~ (b) An employer that ~~[elects to participate]~~ participates in accordance with this section and that does not stay current with its payments may not be covered from the trust fund.

(3) An employer ~~[that elects to participate in the trust fund before July 1, 2017,]~~ shall be covered from the trust fund for a line-of-duty death that occurs on or after July 1, ~~[2015]~~ 2005.

~~[(4) If an employer does not elect to participate in the trust fund before July 1, 2017:]~~

86 ~~[(a) the employer may elect to participate during an annual open enrollment period as~~
87 ~~established by the board; and]~~

88 ~~[(b) the employer may not be covered from the trust fund for a line-of-duty death that~~
89 ~~occurs during a period of time when the employer is not a participant in the trust fund.]~~

90 ~~[(5)]~~ (4) The commissioner shall:

91 (a) in consultation with the board, establish a form and language for a cost-sharing
92 agreement required to use trust funds in accordance with this section;

93 (b) as directed by the board, assess the annual fee amount established by the board;

94 (c) as directed by the board, establish procedures for an employer participating in the
95 trust fund to be reimbursed for the costs of providing the health coverage benefit under
96 Subsection 53-17-201(1)(b);

97 ~~[(c)]~~ (d) prepare and submit to the governor and the Legislature, by October 1 of each
98 year, an annual written report of the trust fund, including its balance, expenditures, and
99 revenues, and the operations and activities of the board under this chapter; and

100 ~~[(d)]~~ (e) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
101 Act, make rules to implement this chapter.

102 Section 3. Section **53-17-401** is amended to read:

103 **53-17-401. Local Public Safety and Firefighter Surviving Spouse Trust Fund.**

104 (1) There is created a private purpose trust fund entitled the "Local Public Safety and
105 Firefighter Surviving Spouse Trust Fund."

106 (2) The trust fund consists of:

107 (a) fees established in Subsection 53-17-402(2)(a);

108 (b) appropriations made to the fund by the Legislature, if any;

109 (c) private donations and grants; and

110 (d) other revenue received from other sources.

111 (3) The Department of Public Safety:

112 (a) shall account for the receipt and expenditures of trust fund money[-]; or

113 (b) may enter into contract with a third-party administrator to administer the fund and

account for the receipt and expenditure of trust fund money.

(4) The trust fund shall earn interest.

(5) The revenue and interest in the account, less actual administrative costs to the department, shall be used to lower fees paid by an employer under Section 53-17-201.

(6) The board of trustees created in Section 53-17-402 may expend money from the trust fund:

(a) for health coverage for a surviving spouse and children under Subsection 53-17-201(1)(~~(b)(iii)~~)(d) by paying:

~~(a)~~ (i) premium costs; or

(ii) if the health coverage is a high-deductible plan, premium costs and the employer contribution to a health savings account; and

(b) reasonable administrative costs that the department and the board of trustees incur in performing their duties for administering the trust fund.

(7) Money deposited into the trust fund is irrevocable and is expended only for the purposes described in this chapter.

(8) Assets of the trust fund are dedicated for the purposes established by statute and administrative rule.

(9) Creditors of the board of trustees and of employers liable for the benefits paid under this chapter may not seize, attach, or otherwise obtain assets of the trust fund.

Section 4. Effective date.

This bill takes effect on July 1, 2018.