

Senator Todd Weiler proposes the following substitute bill:

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

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: Mike K. McKell

LONG TITLE

General Description:

This bill modifies the Public Safety Code by amending Local Public Safety and Firefighter Surviving Spouse Trust Fund provisions.

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;
 - ▶ authorizes an employer to offer a lump-sum benefit to the surviving spouse in lieu of providing health coverage;
 - ▶ amends a date requirement for certain line-of-duty deaths to be eligible to be covered under 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:

None



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

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] Except as provided in Subsections (1)(c) and (d), the employer shall pay [100%] the employer share 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) For the first 24 months after the line-of-duty death, the employer shall pay the amount specified under Subsection (1)(b)(i).

(iii) Beginning 25 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**.

(c) An employer may collect from the surviving spouse and children the portion of the premium costs that a current employee would pay for the same plan as a condition of qualifying to continue to receive health coverage under this section.

(d) (i) Notwithstanding Subsection (1)(a), an employer may offer a surviving spouse an actuarially determined amount to provide a lump-sum benefit to the surviving spouse in lieu of providing health coverage under this section at the option of the surviving spouse.

(ii) If a surviving spouse elects a lump-sum benefit under this Subsection (1)(d), the

57 surviving spouse:

58 (A) shall make the election at the outset of coverage; and

59 (B) is no longer eligible for health coverage under this section.

60 (2) (a) [An] Subject to Subsection (2)(b) and except as provided in Subsection (1)(d),
61 an employer shall allow a surviving spouse and children to remain eligible to receive health
62 coverage from the employer under this section at the option of the surviving spouse:

63 [{a}] (i) for health coverage for the surviving spouse, until the surviving spouse
64 becomes eligible for Medicare; and

65 [{b}] (ii) for health coverage of a child, until the child reaches the age of 26.

66 (b) An employer is not liable for health coverage premiums or expenses of a surviving
67 spouse and children for any period of time that:

68 (i) the surviving spouse and children are eligible to be covered under the employer's
69 group health coverage plan as a surviving spouse; and

70 (ii) the surviving spouse and children elect to not be covered under the employer's
71 group health coverage plan as a surviving spouse.

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

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

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

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

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

79 **53-17-301. Cost-sharing agreements -- Deadlines -- Terms -- Reports --**

80 **Rulemaking.**

81 (1) An employer may elect to participate in the trust fund by:

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

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

85 (2) (a) An employer that does not participate in the trust fund by entering into a
86 cost-sharing agreement in accordance with this section, shall pay the full amount required
87 under Subsection 53-17-201(1)(b)(i).

(b) Subject to the terms of the cost-sharing agreement, an employer that elects to participate 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).

(c) An employer that elects to participate 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:

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

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

(5) The commissioner shall:

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

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

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

(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to implement this chapter.