

Utah School Employees Association *Action Bulletin*

Breaking news for members of USEA

RETIREMENT BENEFITS FOR NON-BENEFITTED CLASSIFIED PROFESSIONALS

State law provides that any “regular full-time employee” is eligible for state retirement benefits through the Utah Retirement Systems (URS). In general, the law defines a regular full-time employee as any employee who works at least twenty hours a week and “who receives benefits normally provided by the participating employer.” Utah Code Ann. 49-13-102(4)(a).

Because of the unique characteristics of public education, the statute specifically includes as a regular full-time employee any classified school employee who normally works at least 20 hours per week, “regardless of benefits provided . . .” U. C. A. 49-13-102(b) (emphasis added).

Legislation will likely be proposed this session to remove the qualification “regardless of benefits provided,” requiring all classified employees to receive those benefits to be eligible for state retirement.

Districts want this change because they want to work their nineteen-hour non-benefitted part-time employees for more hours without having to pay the retirement contribution for those employees. Administrators choose to not accommodate these employees when they ask for more hours because they do not want to assume this extra cost.

It is USEA’s position that:

- The legislation does nothing to protect the rights of those employees who are presently eligible for retirement benefits under the present law. Those classified employees without benefits would immediately lose their retirement eligibility, resulting in an effective twenty per cent cut in compensation to those employees.
- Even though they may not receive benefits, many of these employees nevertheless choose to make their career in public education. State retirement is one of the few benefits those employees can receive.

- If this legislation passes, state retirement eligibility would be at a district’s discretion, like any other benefit. Particularly when the right of public employees to bargain with their employers is threatened, all classified employees’ eligibility for state retirement benefits would be at risk.

- Any classified employee who lost their benefits would immediately lose their eligibility for state retirement, as well.

- Participation in the state retirement system is an attraction to those employees who may otherwise not be interested in full-time/no benefit positions, and helps districts attract and retain quality employees in these positions.

- Employees took these jobs relying on their right to participate in the state retirement system. No public entity should renege on a promise to its constituency to save a few dollars.

- There has been no study of the effect of removing such a large number of participants from the retirement system on the system itself. A large, immediate reduction in the number of participants may increase costs to the retirement system.

- Many districts provide different levels of benefits for different categories of employees. Defining those districts’ “benefits normally provided” will be difficult and likely result in grievances and litigation.

- This change is proposed without any study or evaluation of other, less drastic changes that could accomplish the same result, but without breaking faith with current participants.

