

**RESOLUTION #2013-02 CHANGES TO SELF-ADMINISTERED SELF-FUNDED DEATH BENEFIT**  
(Supersedes Resolution #1997-01)

April 18, 2013

**WHEREAS**, Substitute HB 24 (2013) amended Utah Code Ann. §§ 49-12-501, 49-13-501, 49-22-501 and 49-23-501 so that the death benefit provided by those sections is no longer required to be provided by means of a group life insurance policy; and

**WHEREAS**, for tax reasons, the benefit will now be paid from the defined benefit trust fund; and

**WHEREAS**, the Board desires to adopt a single document that governs the administration and payment of the death benefit.

**NOW, THEREFORE, BE IT RESOLVED**, that the death benefit under Utah Code Ann. §§49-12-501, 49-13-501, 49-22-501 and 49-23-501 shall be administered according to the following:

1. Eligible Employees: Employees participating in the Public Employees' Contributory, Noncontributory, New Public Employees' Tier II Contributory or New Public Safety and Firefighter Tier II Contributory retirement systems who meet the eligibility criteria of the applicable statutes.
2. Effective Date of Insurance: The date the individual is employed and covered in the systems listed in Section 1.
3. Available Coverage: 75% of the employees Highest Annual Salary. For employees with less than 12 months of service, "Highest Annual Salary" means the projected annual salary prorated by the length of service, with a minimum benefit of \$1000.
4. Payment of Benefits: Benefits under this Resolution will be paid to the named beneficiary or beneficiaries on file with the Utah Retirement Systems, or in the absence thereof, in accordance with the precedence established under Utah Code Ann., Title 75, Chapter 2, Uniform Probate Code.
5. Suicide Exclusion: Benefits will not be payable if the employee commits suicide before coverage has been in force for two years.
6. Termination: This coverage terminates on the earliest of the following dates:
  - a. the employee's effective retirement date;
  - b. the date of termination of this benefit by statute; or
  - c. 121 days after the last day on which contributions are paid by the employing unit on behalf of the employee.

**RESOLUTION #2013-02 CHANGES TO SELF-ADMINISTERED SELF-FUNDED DEATH BENEFIT (CONTINUED)**  
(Supersedes Resolution #1997-01)

7. Living Benefit Option – Accelerated Benefit: The death benefit under this resolution may be accelerated and partially paid before the employee dies in accordance with the following:
  - a. Coverage Clause: If an employee is certified by a physician to be terminally ill, an accelerated benefit will be paid to the employee. The accelerated benefit will be a percentage of the coverage in force on the life of the terminally ill employee. The accelerated benefit will not exceed 75% of the total coverage in force and will be paid in one lump sum.
  - b. Conditions: The payment of an accelerated benefit will be available to the employee on a voluntary basis only. Therefore:
    - i. If an employee is required by law to use this option to meet the claim of creditors, whether in bankruptcy or otherwise, the employee is not eligible for this benefit; and
    - ii. If an employee is required by a government agency to use this option in order to qualify for, apply for, or continue a government benefit to entitlement, the employee is not eligible for this benefit.
  - c. Effect on Coverage: The accelerated benefit payment will reduce the face amount of the coverage and thus reduce correspondingly the amount to be paid to the beneficiary(ies) upon the death of the employee. The reduction will equal the amount paid under the accelerated benefit option.
8. Statute Governs: The intent of this Resolution is to complement, not replace, any part of the statutes governing this benefit. Therefore, any dispute between this Resolution and the governing statutes shall be resolved in favor of the statute.
9. Contributions: Employers shall pay the actuarially determined cost of providing this benefit in addition to the contributions required to fund the retirement benefits.