

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
2011 PROPOSED LEGISLATION**

Updated May 2, 2011

Bills enclosed in a border have been passed. To review a bill in its entirety, please visit the State Legislature's Website: www.azleg.state.az.us

H2094 STATE HEALTH COVERAGE; SURVIVOR BENEFITS

Surviving spouses and dependents of state employees who die while the employee's surviving spouse's health insurance is in force will pay only the out-of-pocket premium amount for their classification that an active employee would pay. Public monies are no longer prohibited from being expended to pay any part of the premium.

First sponsor: [Rep. Heinz](#)

Current Action: *1/18 referred to House Banking & Insurance, Appropriations.*

H2095 STATE EMPLOYEE HEALTH INSURANCE; DEPENDENTS

Deletes the statutory definition of "dependent" for the purposes of state employee health insurance. A legislative intent section states that the intent is to apply the definition prescribed by AZ Administrative Code, except those provisions that are superseded by federal law. Retroactive to September 30, 2009.

First sponsor: [Rep. Heinz](#)

Current Action: *1/18 referred to House Health & Human Services, Appropriations.*

H2105 PSPRS BOARD OF TRUSTEES

Blends multiple enactments of statute dealing with limitations on receiving pensions and reemployment for members of the Public Safety Personnel Retirement System.

First sponsor: [Rep. Robson](#)

Current Action: *As of 1/21 no action has been posted.*

H2199 RETIREMENT; PSPRS; PLAN DESIGN

Makes various changes for new members of the Public Safety Personnel Retirement System, including the definition of "normal retirement date" to require 25 years of service and the member's age being at least 52 and one-half. (Formerly, either 20 years of service regardless of age or 15 years of service at an age of at least 62). For all members, the percentage of the member's contribution (currently at 8.65%) increases 1% per year fiscal year 2014-15 when it reaches 11.65%. Thereafter, it is the lower of 11.65% or one-third of the aggregate computed employer contribution rate. More. Please see: www.azleg.state.az.us

First sponsor: [Rep. Robson](#)

Current Action: *As of 2/8 referred to House Employment & Regulatory Affairs, Appropriations. 1/21 no action has been posted.*

H2334 PRIVATE ATTORNEY RETENTION; CONTINGENCY FEES

A state agency or agent cannot retain a lawyer or law firm for legal services if the fee and expenses for the services are more than \$100,000 until there is an open and competitive bidding process. A state agency or agent cannot enter into a contract in excess of \$1 million without an opportunity for legislative review of the contract. In no case may the state incur expenses of more than \$1,000 per hour for legal services.

First sponsor: Rep. Harper

Current Action: *As of 2/10 House Judiciary held. As of 1/24 referred to House Judiciary.*

H2423 STATE HIRING; PRIVATE ATTORNEYS

Establishes guidelines for private attorney retention on a contingency fee basis by the Attorney General, including a determination of the necessity to enter into a contingency fee contract, contingency fee limitations and reporting requirements.

First sponsor: Rep. Yee

Current Action: *4/14 signed by governor. Chap. 116, Laws 2011. www.azleg.state.az.us*

H2440 AGENCY SETTLEMENT AGREEMENTS; PUBLIC RECORD

Public bodies or public agencies must maintain a public record of all settled claims. Any settlement agreement involving a public body is a public record, with some exceptions.

First sponsor: Rep. Montenegro

Others: Rep. Burges, Rep. Gowan

Current Action: *1/24 referred to House Judiciary & Gov.*

H2726 PUBLIC RETIREMENT SYSTEMS; PLAN DESIGN

Various changes to the plan design of all four state retirement systems, including: changing eligibility criteria for normal retirement; repealing COLAs; eliminating early retirement and reducing retirement calculators for members of the Elected Officials Retirement System (EORP); eliminating the Deferred Retirement Option Plan election and increasing member contributions for members of the Public Safety Personnel Retirement System (PSPRS); eliminating refunds of contributions made by members of EORP, PSPRS and the Corrections Officers Retirement Plan (CORP) who terminate after completing five but before ten years of service. The salary on which the retirement benefit is based for members of EORP, PSPRS and CORP is changed to the highest average salary during a five-year period (currently, during a three-year period). Many changes are retroactive to July 1, 2011, and thus are effective for new hires as of that date. Severability clause.

First sponsor: Rep. Adams

Others: Rep. Olson

Current Action: *As of 3/8 from House rules okay. 3/8 House Caucus. 3/7 Hearing: House Rules, 1:00 PM, House Rm. 4. 2/21 from Senate Employment & Regulatory Affairs with amendment #4366. 2/17 House Employment & Regulatory Affairs amended. 2/17 Hearing House Employment & Regulatory Affairs. 2/15 House Employment & Regulatory Affairs held. Hearing: 2/15, 2:00 PM, House Employment & Regulatory Affairs. www.azleg.state.az.us*

S1079 LAW ENFORCEMENT; SURVIVING SPOUSES; INSURANCE

The law stating that the surviving spouse of a law enforcement officer killed in the line of duty or who had died as a result of injuries suffered in the line of duty is entitled to receive health insurance payments from the officer's employer is expanded to include a dependent of the law enforcement officer. The list of conditions that qualify the spouse (and now dependent) to receive health insurance payments from the officer's employer is also expanded to include that the spouse or dependent is enrolled in the health insurance program offered by the retirement plan from which the person(s) is receiving benefits. Formerly, payments would be made only if the recipient was covered by the employer's health insurance plan. Conditions are also added that will cause the payments to cease.

First sponsor: Sen. L. Gray

Current Action: *1/11 referred to Senate Public Health & Human Services.*

S1316 PSPRS; TRUSTEES; EMPLOYMENT AGREEMENTS

The powers of the Board of Trustees of the Public Safety Personnel Retirement System are expanded to include authorization to enter into employment agreements with the administrator and assistant administrators. The board's decisions regarding investment management agreements, etc., are specifically exempt from procurement rules.

First sponsor: Sen. Yarbrough

Current Action: *As of 4/18 passed House 57-1; ready for governor. 4/18 House Third Reading. 4/14 House COW approved. 4/14 House COW. 4/13 from House Rules okay. 4/12 Hearing: House Rules 1:00 PM, House Rm. 4. 4/11 withdrawn from House gov. 3/15 from House Employment & Regulatory Affairs do pass. 3/15 Hearing: House Employment & Regulatory Affairs, 2:00 PM, House Rm. 3. 3/3 referred to House Employment & Regulatory Affairs, Government. 2/28 passed Senate 27-2; ready for House. 2/28 Senate Third Reading. 2/23 Senate Committee of the Whole approved. 2/22 from Senate rules okay. 2/22 Senate Caucus. 2/17 from Senate Finance do pass. Hearing: 2/17, Senate Finance. 1/31 referred to Senate Finance. 1/31 no action has been posted.*

S1317 RETIREMENT; PSPRS; CORP; EORP; ADMINISTRATION

Various changes in statues dealing with the Public Safety Personnel Retirement System, the Correction Officers Retirement Plan and the Elected Officials' Retirement Plan. The PSPRS Board is prohibited from making a retroactive pension payment to a person that is more than 90 days prior to the date of the person's application for benefits. The time period within which CORP employers are required to forward member's contributions is extended to 10 working days from 5 working days.

First sponsor: Sen. Yarbrough

Current Action: *4/29 Signed by governor. Chapter 347, Laws 2011.*

S1340 RETIREMENT; DEFINED CONTRIBUTION SYSTEM

Creates an Arizona State Defined Contribution Retirement System (DC System). Beginning January 1, 2012, the DC System is the single retirement program for all new employees, and those employees are ineligible for membership in ASRS. Establishes provisions regulating the DC system, including powers and duties of a DC System Board, employee and employer contributions, retirement age, amount of annuity payments, and termination of membership.

First sponsor: Sen. Antenori

Current Action: *As of 1/31 referred to Senate Finance.*

S1609 RETIREMENT SYSTEMS; PLANS; PLAN DESIGN

Makes various changes in retirement plans to reduce costs to employers and to the plans. For the Elected Officials Retirement Plan (EORP) many of the changes take effect for any person elected, re-elected or retained on or after Jan 1, 2012. All members of EORP and PSPRS must make contributions to their retirement plan according to a schedule established in this act. An alternate contribution rate is established for retired members of any of the plans who return to work. Permanent increases in retirement benefits are limited. Much more. Severability. Some provisions are effective retroactive to June 29 or June 30, 2011.

First sponsor: Sen. Yarbrough

Others: Sen. Pierce, Sen. Allen, Sen. Bundgaard, Sen. Pearce,

Current Action: *4/29 signed by governor, Chapter 357, Laws 2011.* www.azleg.state.az.us

S1614 BUDGET; BUDGET PROCEDURES; FY2011-12

Specified that any state employees hired after the effective date of this act is not eligible:

- For state employee benefits until they have worked regularly for at least 90 days.
- To become a member of any state retirement system until the employee has worked regularly for at least six months.

First sponsor: Sen. Biggs

Current Action: *4/6 signed by governor. Chap. 26, Laws 2011.* www.azleg.state.az.us