

As 2009 begins to come to a close, we here at PSPRS want to extend to all of our local boards our most sincere thanks and gratitude on all the hard work each and every one of you put in this year to help make PSPRS and CORP a success for our membership. We send many holiday wishes and wish you all the best in 2010!

Please note that the PSPRS office will be closed on Friday December 25, 2009 and Friday January 1st 2010, in observance of the Christmas and New Year's holiday.

Our office has recently fielded many calls from our local boards on the availability of the individual employer groups' actuarial evaluations. We anticipate having the employer actuarial reports available this month. This report will be sent electronically to each of our employer groups. If you have not updated our office on current email contact for both the Local Board Secretary and any employer contacts (i.e. payroll, finance, etc.) involved with your pension board, please contact our office.



The consolidated reports are posted to the website at: www.psprs.com.

The PSPRS will be hosting the annual fiscal year end fund performance meeting on December 16th 2009 at 9am. This meeting will be held at the PSPRS office and all employer groups are welcome to attend. Employer groups should have received an email invitation from Mr. Hacking regarding the event. Please RSVP by December 11th. RSVP should be made by responding to the email invitation. Please indicate total number of individuals from your employer group that will be in attendance. Please do not call the system's main number for RSVP notification.

Are you unable to attend in person? We will be streaming the presentation live via GoTo-Meeting. Space will be limited. If you are interested in participating via GoToMeeting please contact Paul Hemmes at extension 2012 for details.

Did you know that one of the local board's duties is to receive and review your actuarial evaluation? This would be an agenda item at one of your board meetings.

RETURN TO WORK: FOLLOW-UP

In our November newsletter we provided a legislative update that affected PSPRS and CORP. We want to further clarify the issue of return to work, which has raised several questions by some boards.

CORP:

HB2326 amended A.R.S. 38-884(J) to read: A retired member may become employed by an employer in a designated position and continue to receive a pension if the employment occurs at least twelve months after retirement. The retired member shall not contribute to the fund and shall not accrue credited service. If a retired member becomes employed by an employer in a designated position before twelve months after retirement:

1. Payment of the retired member's pension shall be suspended until the retired member again ceases to be an employee. The amount of pension shall not be changed on account of service as an employee subsequent to retirement.

2. The retired member shall not contribute to the fund and shall not accrue credited service.

This bill made the effective date retroactive to December 31, 2008. So, any CORP retiree who retired after December 31, 2008 must wait 12 months before returning to a CORP designated position in order to maintain their pension. Otherwise, you as the local board must suspend their pension until they have terminated their position.

PSPRS:

HB2110 amended A.R.S. 38-849(D) to read:

If a retired member becomes employed in any capacity by the employer from which the member retired before sixty consecutive days after the member's date of retirement, the system shall not make pension payments to the retired member during the period of reemployment. If a retired member is reemployed by an employer, no contributions shall be made on the retired member's account, nor any service credited, during the period of the reemployment. The fund manager shall review all reemployment determinations. Notwithstanding this subsection, if a retired member subsequently becomes employed in the same position by the employer from which the member retired, the system shall not make pension payments to the retired member during the period of reemployment. On subsequent termination of employment by the retired member, the retired member is entitled to receive a pension based on the member's service and compensation before the date of the member's reemployment. If a member who retired under disability is reemployed by an employer as an employee, that member shall be treated as if the member had been on an uncompensated leave of absence during the period of the member's disability retirement and shall be a contributing member of the system. For the purposes of this subsection, "same position" means the member is in a position where the member performs *substantially similar duties that were performed and exercises substantially similar authority that was exercised by the retired member before retirement.*

In this particular statute, PSPRS members must wait 60 days to return to work with their employer (employer that member retires from) in **ANY** capacity or otherwise they will be subject to their pension being suspended. Please note that statutes define retirement as the 1st day of the month immediately following a member's last day of employment or authorized leave, if later.

All actions on return to work provisions as with all actions and determinations on benefits are duly the responsibility of the local board. These return to work decisions are reviewed by the Fund Manager and as such, PSPRS has established provisions that each board should follow once a return to work decision has been made:

- Provide the system with minutes (can be "draft minutes") in which a decision regarding reemployment was made. This should include the effective retirement date of the member and the effective re-employment date.
- job descriptions for the position held at retirement and for the new position
- Separate or a combined affidavit from the member and the employer stating that there was not a pre-existing agreement to return to work at the time of retirement.

Should your board have any additional questions regarding return to work, please contact our office.

LEGISLATIVE UPDATE:

During the 49th State Legislature's Third Special Session, HB 2010 was signed into law and on 11/24/2009 its provisions were enacted. As a result of this signed bill, A.R.S. 38-842 (11) was amended. This section defines compensation under PSPRS.

A.R.S. 38-842 (11). "Compensation" – new language added effective 11/24/09 states:

Compensation does not include, for the purposes of computing retirement benefits, payments made directly or indirectly by the employer to the employee for work performed for a third party on a contracted basis or any other type of agreement under which the third party pays or reimburses the employer for the work performed by the employee for that third party, except for third party contracts between public agencies for law enforcement, training, wildfire and emergency management activities

UPCOMING TRAINING SEMINARS

December 8, 2009

Time 9 AM to 12 PM

Topic: Duties of your Local Board and Disability Retirements

Location: 11975 S. Highway 69 Mayer, AZ 86333

If you would like to sign up for this seminar: email sowen@mayerfire.com

Or call 928-632-9534 to sign up.

December 8, 2009

Time 2 PM to 4 PM

Topic: Retirement 101 and DROP (for members of PSPRS)

Location: 11975 S. Highway 69 Mayer, AZ 86333

If you would like to sign up for this seminar: email sowen@mayerfire.com

Or call 928-632-9534 to sign up.

December 11, 2009

Time 9 AM to 11 AM

Topic: Retirement 101 and DROP (for members of PSPRS)

Location: City of Prescott Public Library – Library Founders Room

215 E. Goodwin St, Prescott, AZ 86303

If you would like to sign up for this seminar: email jolaine.jackson@prescott-az.gov

Or call 928-777-1216 to sign up.

December 11, 2009

Time 1 PM to 4 PM

Topic: Duties of your Local Board and Disability Retirements

Location: City Hall Basement Conference Room - 201 S. Cortez St, Prescott AZ 86303

If you would like to sign up for this seminar: email jolaine.jackson@prescott-az.gov

Or call 928-777-1216 to sign up.

February 4, 2010

Southern Arizona PSPRS Local Board Conference (all day seminar)

Time 9 AM to 4 PM

Topic: General Local Board Conference (Tucson area)

Location: Town of Marana Municipal Complex 11555 West Civic Center Drive, Marana AZ 85653

If you would like to sign up for this seminar: email jcapen@marana.com

Or call 520-382-2042 to sign up.

L’IL RONNIE’S CORNER - “DISABILITY”

We are trying to create more tools for your Pension Board Member tool belt. The best tool I can give you is knowledge. You must first understand it’s not my way or the highway. I just give you options that are compliant with the current law. You may do things differently which still comply. I need to cover the following things about disability applications:

Medical Evidence: The employee must provide the names of all treating physicians. They sign a waiver that is supplied on the PSPRS application form that allows board staff to request all of the medical information from the doctors. Or you can have the member provide all the medical information. This could be a problem if you are worried the member may not supply information that may be detrimental to the success of their application. In other words, remove certain piece of the medical reports. Either way, obtain all of the medical evidence.



I have found that boards are not reviewing the medical evidence prior to referring the member to a board directed Independent Medical Exam, (IME). No exceptions. **Boards must review the medical evidence obtained by staff or supplied by the member.** Also review the pre-existing medical report you obtained when the member was hired. **The medical information should be supplied to each Board member for their review at least a week prior to the scheduled meeting.** Based on your review does it appear that the member has a disability that meets the letter of the law? If so, send the applicant for an IME and see if your board doctor agrees. If the evidence is not obvious, don't send the applicant for an IME. Ask for more medical information from the applicant. Ask more questions regarding job relatedness. If there is still nothing to lead you to believe that this is a qualifying disability, deny it and state why in your motion. Not all applications deserve a \$1,500 trip to a doctor.

I understand that reading all of this medical information is time consuming and sometimes confusing. You WILL find yourself referring to a medical dictionary for assistance understanding what doctors are really saying when they use those big words you can't pronounce. But it is your duty to read all of the information supplied or obtained in the application.

In some cases it is as simple as the member applied for the wrong type of disability benefit. They applied for an Accidental Disability (job related) when in fact the injury is a Jet Ski accident (non job related) that may better qualify under the Ordinary Disability application. The member can change the application type if they so choose. Don't change it for them.

Regarding Disability applications we are close to completing a guide to better help you understand what will and or should happen during the disability application process.

The burden of proof for any benefit in the system is on the applicant.

Remember, if you hear any rumors please call me for the facts. Be safe.

L'il Ronnie

Contact Ron at 602-361-0803 or littletonnie@mac.com if you need some help, a visit or training. We are here to serve you.