

## **FREQUENTLY ASKED QUESTIONS**

### **Regarding Dispatchers Joining the Corrections Officer Retirement Plan**

**(REVISED JULY 2011)**

#### **Are dispatchers automatically placed in the Corrections Officer Retirement Plan?**

No. An employer must decide if they want to cover their dispatchers in the Plan and then enter into a binding agreement, called a "Joinder Agreement", with the Fund Manager for that coverage.

#### **What is the definition of a "full-time dispatcher"?**

The term "full-time dispatcher" is not defined in the statute. As the Corrections Officer Retirement Plan (CORP) is created along the lines of the Public Safety Personnel Retirement System (PSPRS), each local board would determine eligibility for membership in the Plan. Since the boards do not exist at this time, management would have to determine whom they want to cover under this retirement plan. The employer's intent would be conveyed to the local board since the employer has control over three of the five local board members. We would expect that "full-time" would mean a person who works 40 hours per week and that the definition would apply to all dispatchers. Since the eligibility for dispatchers coming into the CORP was related to the employer of an eligible group under the PSPRS, i.e. police or firefighters, we believe that the term dispatchers is limited to police or fire dispatchers.

#### **Would a supervisor or communications coordinator that supervises or coordinates dispatchers be included as an eligible position?**

Again, it would be up to the local board to set forth the criteria. Generally, these positions should be included if the promotional scheme envisions that a dispatcher could promote into these positions. You would not want to exclude a position from the normal promotional pattern since this would create a hardship to the employees.

#### **Would all employees in eligible positions be required to be members in the CORP?**

Yes, if a joinder agreement was signed. Participation would be required of all employees hired after the joinder agreement is effective. There is a provision in the law to allow a current employee to request to not be a member of the Plan at the time the joinder agreement is enacted.

#### **What is the average contribution rate that employers contribute to the CORP retirement Plan?**

The average contribution rate for employers in the CORP is 8.68%.

#### **What is the employee contribution rate?**

The employee contribution rate is 7.96% of salary paid on a pre-tax basis.

**Would previous service in an eligible dispatcher position with the same employer transfer to CORP? If so, what is the transfer process?**

All qualified employment with the employer in the covered position, i.e. full-time dispatcher, would be eligible time under the CORP. The actuarial present value of this time under the other retirement system would be transferred to the CORP after the effective date of the joinder agreement to fund the service credit and help pay for the unfunded liability.

**Would previous service in another position with the same employer transfer to CORP? If so, what is the transfer process?**

No. Neither would previous employment as a full-time dispatcher with another employer transfer at the time of joining. An employee could independently transfer this time to the Plan after they joined. The cost would be calculated at the actuarial present value of the service which usually doesn't equal a year-for-year transfer. The employee may choose to accept a reduced amount of service credit or pay the difference required to fund all the previous service credit.

**What does CORP include as compensation for the calculation of required contributions and final average compensation calculation, i.e. base salary, overtime, sick leave payouts, vacation payouts, comp time payouts, etc.?**

Base salary, shift differential pay and holiday pay paid on a regular basis. No payoffs or overtime is included.

**What are the CORP provisions for survivor benefits?**

The surviving spouse of a member who dies is eligible for benefits as follows:

Surviving spouse of retired member: Receives four-fifths of the retired member's pension at time of death. Spouse must be married to the member for at least two years at time of death and the benefit terminates upon the death of surviving spouse. (A.R.S. §38-887)

Surviving spouse of a non-retired member: Receives 40% of the deceased member's average monthly salary. Spouse must be married to the member for at least two years at time of death and the benefit terminates upon the death of surviving spouse. (A.R.S. §38-888)

Other Benefits Payable upon the Death of the Member (A.R.S. §38-904):

If there is no eligible surviving spouse or if the pension of the surviving spouse is terminated, surviving unmarried children of a deceased retired or active member are entitled to a pension until age 18, or age 23 if a full-time student. A disabled child is also entitled to a pension if the disability began before age 23. The amount of the pension is an equal share of the surviving spouse's pension.

If an active or inactive member dies and no pension is payable, the member's beneficiary is entitled to receive two times the member's contributions to the CORP.

### **What are the CORP provisions for disability retirements?**

CORP has three types of disability retirements, Accidental, Total and Permanent and Ordinary as described below.

1) Accidental disability is a physical or mental condition which totally and permanently prevents an employee from performing a reasonable range of duties within the employee's department, that was incurred in the performance of the employee's duties and was the result of either physical contact with inmates, responding to a confrontational situation with inmates or a job-related motor vehicle accident and was not the result of a physical or mental condition or injury that existed or occurred before the member's date of membership in the Plan. (A.R.S. §38-886)

2) Total and permanent disability is a physical or mental condition that totally and permanently prevents a member from engaging in any gainful employment, is the direct and proximate result of the member's performance of their duty as an employee and is not the result of a physical or mental condition or injury that existed or occurred before the member's date of membership in the Plan. (See A.R.S. §38-886)

3) Ordinary disability is a total and permanent physical disability preventing performance of a reasonable range of duties within the employee's department prior to normal retirement date. The benefit is a percentage of normal retirement. The percentage is computed based on the employee's years of credited service divided by 20, except for dispatchers, which is divided by 25. (See A.R.S. §38-886.01)

### **Does the Plan have a long-term disability (LTD) provision?**

No. Employers whose employees are covered under the Arizona State Retirement System are covered under an LTD program. By going to the CORP, these employees would forego this benefit and the employer would need to arrange independent coverage for dispatchers moving to the CORP.

### **Would a local board be required for each department, i.e. Police or Fire?**

Yes. The employer would also be required to budget for and staff the local board.

### **Is the decision to join irrevocable?**

Yes.

### **Will your payroll deduction agreements transfer over to CORP?**

No, if you are currently making payments on a PDA, the payments will continue to be withheld and sent to ASRS because they must continue until you terminate employment. Any service that is already paid for at the time of the joinder agreement and that is eligible dispatcher service will transfer to CORP during the joinder process. Upon termination, you will have 30 days to choose to transfer the service credit to CORP and the calculation will be the same as in number 8. Alternatively, you may choose not to transfer the time but to take a refund of the service purchased from ASRS when you terminate employment. If you do not make either choice within 60 days, the money you paid for the service will be refunded to you.