

FREQUENTLY ASKED QUESTIONS

Regarding Judiciary Probation, Surveillance and Juvenile Detention Officers Joining the Corrections Officer Retirement Plan

(REVISED JULY 2011)

Is the decision to join CORP or remain in ASRS irrevocable?

Yes. This is an important decision and you are encouraged to study the benefits and provisions of each plan carefully. Information is available on the ASRS website at www.azasrs.gov and on the CORP website at www.psprs.com

Are Judiciary Probation, Surveillance and Juvenile Detention Officers automatically placed in the Corrections Officer Retirement Plan?

No. the Court must decide if they want to cover their Probation, Surveillance and Juvenile Detention Officers in the Plan and then enter into an agreement with the CORP Fund Manager (i.e., the System's Governing Board of Trustees).

What is the definition of a "Probation or Surveillance Officer and Juvenile Detention Officer"?

The legislation defines the term "Probation or Surveillance Officer" as an officer appointed pursuant to Section 8-203, 12-251 or 12-259 but does not include other personnel, office assistants or support staff. "Juvenile Detention Officer" is defined as the person responsible for the direct custodial supervision of juveniles who are detained in a county juvenile detention center.

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

No. The probation, surveillance or juvenile detention officer can make an irrevocable election to remain in the employee's existing retirement system but the election must be made prior to the date specified for the group transfer to CORP.

ASRS accepts part-time and seasonal employees. Can I work part-time in CORP? If I'm working part-time at the time of joinder, am I eligible to join CORP?

No. Only full-time employees, whose customary employment is at least forty hours each week, can participate in CORP.

Can I work part-time for the same employer after retirement and still collect my pension?

Yes, as long as you are not in a "designated position." All designated positions are covered under CORP.

If I have past service as a Probation Officer but I'm not currently a Probation Officer, will I be able to transfer my time over to CORP?

No. You have to be a full-time Probation Officer at the time of joinder to be able to participate in CORP.

If I am retired from CORP today, could I transfer with the group at the time of the joinder agreement?

No. If you have already retired from CORP, you cannot participate in CORP. You would remain in ASRS.

What is the employee contribution rate?

The CORP employee contribution rate is 8.5% of salary paid on a pre-tax basis.

Would all time on account with Arizona State Retirement System ("ASRS") transfer to CORP or just time that I had as a Probation, Surveillance or Juvenile Detention Officer? Does this include time I purchased?

All credited service from ASRS, as of the date of the group transfer to CORP, would be transferred to CORP. This would include any time that was purchased prior to the transfer date.

Can employees purchase military time after the transfer from ASRS to CORP? How much would it cost?

Yes, you can purchase military time after the transfer from ASRS to CORP unless you already purchased that time when you were covered under ASRS. IRS 415(n)(3)(A) governs "permissible service credits" and you cannot purchase concurrent time or time you already have on account. We have calculators on our website to estimate the cost to purchase service. Additionally, our governing statutes limit the purchase of military service to four years (48 months).

What about payroll deductions? I'm currently buying back some military service and have fifteen more years of payroll deductions at \$100.00 per pay period. Can I pay that off early? I was told this was an irrevocable contract and I can't get out of it.

The payroll deduction agreement you signed to pay for the purchase of service is irrevocable and continues until you separate from service either by retirement, termination or death. You can't change the payment amount nor can you pay it off early. If you transfer to CORP, you will continue to make the same payment to ASRS until your contract is paid off or until you separate from service. Assuming that AOC agrees, this service will be transferred annually (as it is paid) from ASRS to the member's account in CORP. If you need information on an existing PDA, you may contact the ASRS Member Advisory Center.

If I am using pre-tax dollars for the service purchase agreement with ASRS, how is that brought over to CORP at the time of transfer?

The transfer of money from ASRS to CORP does not change the tax treatment. Additionally, assuming AOC agrees as part of the joinder agreement, this service will be transferred annually (as it is paid) from ASRS to the member's account in CORP.

What are the requirements for a normal retirement? Does CORP have an early retirement?

Normal retirement requires the completion of twenty (20) years of service (at any age), completion of ten (10) years of service and age 62 or where the sum of the member's age and years of credited service equals eighty (80). CORP does not have an early retirement provision.

Can we elect a reduced pension at retirement with a lump sum payment option?

CORP now has a Reverse DROP program. However, you cannot elect this payment option until after you have 24 years of credited service. Your pension is reduced and you are paid a lump sum at retirement. Please see our website at www.psprs.com for additional information.

How is the retirement benefit calculated? Would the unused sick leave or vacation payout be eligible for retirement benefit calculations?

For retirement with twenty years of credited service but less than twenty-five years of credited service, take 50% of "average monthly salary" plus 2% of average monthly salary for each year between twenty and twenty-five years of service. The average monthly salary is calculated by taking 1/36 of aggregate salary paid a member during the highest three consecutive years out of the last ten years of service. This would not include any lump sum payments for unused sick leave or vacation time.

For retirement with twenty five or more years of credited service, 50% of average monthly salary for the first twenty years of credited service, plus 2 ½ % of average monthly salary for each year of credited service above twenty years, up to a maximum of 80% of average monthly salary.

CORP has a retirement estimator on the PSPRS website (www.psprs.com) that can be used to make estimated future retirement benefit projections.

If I transfer over from ASRS to CORP and I had 20 or more years of credited service, how would CORP determine the highest three years of compensation from my benefit if CORP doesn't have the payroll records? How will the salary be verified? Would it include the overtime compensation we paid into ASRS?

Your payroll records would be used to calculate your highest three years of compensation. This would be one of the responsibilities of the local board.

What are the CORP provisions for survivor benefits?

The surviving spouse of a member who dies in service or after retirement is eligible for benefits as follows:

Surviving spouse of retired member; Four-fifths of retired member's pension at time of death. Requires two years of marriage at time of death. Terminates on death of surviving spouse.

Surviving spouse of a non-retired member; 40% of deceased member's average monthly salary. Requires two years of marriage at time of death. Terminates on death of surviving spouse.

What if I die and I do not have a spouse; does my beneficiary get all my money?

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

What are the CORP provisions for disability retirements?

CORP has two disability retirements, "accidental disability" and "total and permanent disability". Please see Summary of Benefits for a description.

Does CORP have a long-term disability provision?

No. Employers whose employees are covered under the ASRS 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 anyone moving to the CORP.

What medical insurance is offered by CORP?

CORP does not offer medical insurance. If a retired member selects insurance through ADOA, ASRS or their employer, CORP will pay a premium subsidy. See Summary of Benefits for subsidy amounts.

Is there a cost of living increase?

Yes. There is a cost of living increase up to 4% of the benefit being received contingent upon sufficient excess investment earnings in CORP's Future Benefit Increase Reserve. There are service and age requirements. See Summary of Benefits for details.

Would a local board be required for each judiciary district?

No. There would be only one Local Board. The judiciary Local Board would be structured as follows: two members would be selected by secret ballot by members who are employed as a probation, surveillance or juvenile detention officer; a designee of the Chief Justice of the Arizona Supreme Court and two citizens, one of whom shall be the head of a human resources department for the group of members, appointed by the Chief Justice. The employer is required to budget for and staff the local board.

What are the duties and responsibilities of the local board?

The administration of the plan and making the provisions of the plan effective for each employer are vested in a local board. A local board shall decide all questions of eligibility, service credits and determine the amount, manner and time of payment of any benefit under the plan.

Is there a supplemental contribution plan available to members as well?

Yes. But, your employer has to enroll and make it available to the employees. Please see A.R.S. 38-951.

What is the estimated timeline for the members to join CORP?

SB 1142 becomes effective September 21, 2006. After that date, the AOC would have to execute a joinder agreement with CORP to participate in the plan. The joinder agreement would specify a date of the transfer of money and credited service from ASRS to CORP. We estimate that this could occur sometime between December and April of next year.