

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM 2014 PROPOSED LEGISLATION

(51st Legislature, 2nd Regular Session)

Updated April 25, 2014

H2017 ASRS; DEFINED CONTRIBUTION PLAN

If a retired member of a statewide retirement system or plan who meets the other eligibility requirements is enrolled in the ASRS defined contribution plan at the employer's option, the option is irrevocable for the remainder of the employee's employment and an agreement must be executed within 30 days of either the start of employment or the effective date of this legislation, whichever is later. Agreements between an employee and employer that require participation in an alternative retirement plan must be executed within 30 days of either the start of employment or the effective date of this legislation, whichever is later, instead of within two years of initial eligibility.

Affected Plans: PSPRS, CORP & EORP

First sponsor: Rep. Lovas

Current Action: 2/18 referred to Senate Finance; 2/3 passed House 56-0, ready for Senate; 1/27 to House Consent Calendar; 1/27 from House Rules okay; 1/15 from Insurance & Retirement do pass; 1/14 House Insurance & Retirement do pass; report awaited; 1/13, referred to House Insurance & Retirement

H2018 ASRS; IN-SERVICE DISTRIBUTIONS

A member of ASRS whose retirement date is on or after January 1, 2015 and who is at least 62 years of age is permitted to retire without terminating employment. If any other retired member returns to direct employment with an ASRS employer within 30 days after the member's retirement date, ASRS is required to suspend the member's retirement benefits. Effective January 1, 2015.

Affected Plans: ASRS

First sponsor: Rep. Lovas

Current Action: NOTE SHORT TITLE CHANGE. 4/8 from Senate Rules with a technical amendment; 3/20 from Senate Finance with amendment #4780; Hearing: 3/19 at 2:00 PM, Senate Rm. 3; 2/18 referred to Senate Finance; 2/3 passed House 56-0, ready for Senate; 1/27 to House Consent Calendar; 1/27 from House Rules okay; 1/15 from Insurance & Retirement do pass; 1/14 House Insurance & Retirement do pass; report awaited; 1/13, referred to House Insurance & Retirement

H2049 RETIREMENT PLANS; COMPENSATION; DEFINITION

For the purpose of the Elected Officials' Retirement Plan and the Public Safety Personnel Retirement System, the definition of "compensation" is modified to include amounts paid as shift differential pay and military differential wage pay, and to exclude overtime pay, various types of incentive pay, nonmonetary benefits, termination pay, short-term disability income or workers' compensation benefits.

Affected Plans: PSPRS & EORP

First sponsor: Rep. Allen

Current Action: 1/21 FAILED House Insurance & Retirement 4-4; 1/21 referred to House Insurance & Retirement

H2050**ASRS MEMBERSHIP; SECTION 218 REQS**

Repeals the ASRS defined contribution plan established by Laws 2013, Chapter 216. An employee who is participating in the plan must discontinue employee contributions to the plan and the long-term disability plan on the effective date of this legislation. At the employee's election, ASRS must either distribute the balance of the employee's account or transfer it to another eligible plan. An employee who is receiving benefits under the plan may continue to receive those benefits until the earliest of a list of specified conditions is met. Also specifies persons who are ineligible for membership in ASRS, including nonresident aliens temporarily residing in the U.S. and persons who perform services under a program designed to relieve the person from unemployment.

Affected Plans: N/A

First Sponsor: Rep. Lovas

Current Action: 4/16 signed by the Governor. Chap. 44, Laws 2014. 4/15 House concurred in Senate amendments and passed on final ready 60-0, ready for the Governor; 4/8 passed Senate 27-0, ready for House action on Senate amendments; 4/2 Senate COW approved with the Senate Rules technical amendment; 3/11 from Senate Rules with a technical amendment; Hearing: 3/10 at 1:00 PM, Caucus Rm. 1; 2/27 from Senate Finance do pass; Hearing: 2/26 at 2:00 PM, Senate Rm. 3; 2/19 referred to Senate Finance; 2/18 passed House 60-0; ready for Senate; 2/13 House COW approved with amendment #4012; 2/6 retained on House COW calendar; 2/4 from House Rules okay; 1/29 from House Insurance & Retirement with amendment #4012; Hearing: 2/3 at 1:00 PM, House Rm. 4; Hearing: 1/28 at 2:00 PM, House Rm. 3; 1/22 referred to House Insurance & Retirement; 1/15 referred to House Insurance & Retirement

H2056**RETIREMENT; RETURN TO WORK**

Statute allowing a retired Arizona State Retirement System member to return to work and still be eligible to receive retirement benefits under specified conditions is repealed. Prohibits ASRS, Public Safety Personnel Retirement System and Corrections Officer Retirement Plan employers from contracting or leasing a retired member to work in any capacity. A retired member currently working on contract or lease with an ASRS, PSPRS or CORP employer may complete the term of the current contract but may not renew the contract or lease.

Affected Plans: PSPRS & CORP

First sponsor: Rep. Allen

Current Action: 2/11 referred to House Insurance & Retirement

H2058 PUBLIC PENSIONS; LIMIT ON COMPENSATION

For employees hired after the effective date of this legislation, the annual compensation of each member of the Arizona State Retirement System, Public Safety Personnel Retirement System and Corrections Officer Retirement Plan for any fiscal year or other specified 12 consecutive month period cannot exceed \$150,000.

Affected Plans: PSPRS & CORP

First sponsor: Rep. Kavanagh

Current Action: 4/22 FAILED to pass House on final reading reconsideration 26-31; 4/21 House concurred in Senate amendments and FAILED to pass on final reading 29-26, House voted to reconsider failure to pass bill; 4/21 passed Senate 16-7, ready for House action on Senate amendments; 4/17 Senate COW approved with floor amendments [#5037](#) and [#5038](#); 4/10 from Senate Rules okay; Hearing: 4/9 at 1:00 PM, Caucus Rm. 1; 3/20 from Senate Finance do pass; 3/19 Senate Finance do pass; report awaited; Hearing: 3/19 at 2:00 PM, Senate Rm. 3; 2/25 referred to Senate Finance; 2/24 passed House 33-26, ready for Senate; 2/20 House COW approved with amendment [#4013](#); 2/17 from House Rules okay; 1/29 from House Insurance & Retirement with amendment [#4013](#); 1/22 referred to House Insurance & Retirement

H2060 PSPRS OVERSIGHT; RULEMAKING; PROCUREMENT

The Public Safety Personnel Retirement System Board is no longer exempt from the Administrative Procedures Act or the Arizona Procurement Code. The Board is required to establish and maintain an Administration Account consisting of all monies for administrative purposes. Expenditures from the Account must be made in accordance with Board directives, subject to legislative appropriation. Specifies expenditures from the Account that are continuously appropriated in the amount the Board deems necessary.

Affects Plans: PSPRS

First sponsor: Rep. Kavanagh

Current Action: 2/27 House COW approved with amendment [#4117](#) and floor amendment [#4386](#); FAILED to pass House 24-33; 2/24 from House Rules okay; 2/12 from House Insurance & Retirement with amendment [#4117](#); 2/11 House Insurance & Retirement amended; report awaited; Hearing: 2/11 at 2:00 PM, House Rm. 3; 1/28 FAILED House Insurance & Retirement 4-4; Hearing: 1/28 at 2:00 PM, House Rm. 3; 1/22 referred to House Insurance & Retirement; 1/22 referred to House Insurance & Retirement

H2090 DEFINED CONTRIBUTION RETIREMENT PLANS; OPTION

The Arizona State Retirement System is required to establish, administer and operate a defined contribution (DC) retirement plan for employees who are otherwise eligible for ASRS, the Public Safety Personnel Retirement System or the Corrections Officer Retirement Plan but who elect to participate in the DC plan. The ASRS Board is authorized to delegate authority to implement the plan to the ASRS Director, to administer the plan through contracts with multiple vendors and to employ the services of the third-party administrator that administers the ASRS supplemental defined contribution plan to also administer the plan. All employee contributions made to the defined contribution plan must be picked up and paid by the employer. Employees must elect to participate in the plan in writing, and the election is irrevocable for the remainder of the employee's employment. Specifies employee and employer contribution rates.

Affected Plans: PSPRS & CORP

First sponsor: Rep. Lovas

Current Action: 1/28 FAILED House Insurance & Retirement 4-4; Hearing: 1/28 at 2:00 PM, House Rm. 3; 1/22 referred to House Insurance & Retirement

H2122 ASRS; ELECTION; EORP DEFINED CONTRIBUTION

Retroactive to January 1, 2014, a state elected official who was elected or appointed before December 31, 2013 and who is a member of the Arizona State Retirement System because s/he previously elected not to participate in the Elected Officials' Retirement Plan is no longer required to elect to continue or resume participation in ASRS in writing and is subject to the ASRS without the election. Also, an elected official who no longer holds office must apply for EORP defined contribution disability program benefits within one year of terminating office. Payment of the disability benefits can be made retroactive only to the date of application. Emergency clause.

Affected Plans: EORP

First sponsor: Rep. Lovas

Current Action: 4/22 signed by the Governor, Chapter and Number awaited; 4/16 House concurred in Senate amendments and passed on final reading 42-15, ready for the Governor; 4/16 passed Senate 27-1, ready for House action on Senate amendments; 4/15 Senate COW approved with floor amendment #4936; 3/17 from Senate Rules okay; Hearing: 3/17 at 1:00 PM, Senate Caucus Rm.; 3/13 from Senate Finance do pass; Hearing: 3/12 at 2:00 PM, Senate Rm. 3; 2/25 referred to Senate Finance; 2/24 passed House 32-27 (lost emergency clause), ready for Senate; 2/17 to House consent calendar, from House Rules okay; 1/22 from House Insurance & Retirement do pass; Hearing: 1/21 at 2:00 PM, House Rm. 3

H2166 PSPRS CONTRIBUTIONS; COUNTY EMPLOYERS

A county employer participating in the Public Safety Personnel Retirement Plan that elected to pay a higher level percentage contribution rate before 1980 is permitted to eliminate that higher level percentage contribution rate amount for members hired on or after January 1, 2015.

Affected Plans: PSPRS

First sponsor: Rep. Orr

Current Action: ***4/23 signed by the Governor, Chapter and Number awaited; 4/21 House concurred in Senate amendments and passed on final reading 54-1; ready for the Governor; 4/21 passed Senate 23-1, ready for House action on Senate amendments; 4/17 Senate COW approved with amendment #4783; 4/10 from Senate Rules okay; Hearing: 4/9 at 1:00 PM, Caucus Rm. 1; 3/24 from Senate Finance with amendment #4783; 3/19 Senate Finance amended, report awaited; Hearing: 3/19 at 2:00 PM, Senate Rm. 3; 2/19 referred to Senate Finance; 2/18 passed House 60-0; ready for Senate; 2/13 House COW approved with amendment #4058; 2/11 from House rules okay; 2/5 from House Insurance & Retirement with amendment #4058; 1/28 House Insurance & Retirement held; Hearing: 2/4 at 2:00 PM, House Rm. 3; Hearing: 1/28 at 2:00 PM, House Rm. 3; 1/22 referred to House Insurance & Retirement***

H2203 ASRS; PSPRS; BOARD MEMBERSHIP

Increases the number of members and modifies the membership of the Arizona State Retirement System Board and the Public Safety Personnel Retirement System Board of Trustees. Session law provides that all current board members may continue to serve until the expiration of their normal terms.

Affected Plans: PSPRS, CORP & EORP

First sponsor: Rep. Lovas

Current Action: ***3/3 retained on House COW calendar; 2/27 retained on House COW calendar; 2/24 from House Rules okay; 1/22 from House Insurance & Retirement with amendment #4004; 1/21 Hearing: 1/21 at 2:00 PM, House Rm. 3; 1/21 referred to House Insurance & Retirement, House Insurance & Retirement amended report amended***

H2247 DISCLOSURES; LOBBYIST; GIFTS; PUBLIC OFFICERS

Lobbyists are prohibited from making an expenditure for a gift for a state officer or employee, and state officers and employees are prohibited from accepting a gift from a lobbyist. The exemptions for certain types of entertainment are deleted. Modifies expenditure reporting requirements for lobbyists, and expands the definition of "lobbying" to include attempting to influence legislation by communicating with the Governor or his/her staff. For the purpose of financial disclosures for public officers and candidates, the definition of "gift" is modified. Additionally, public officer financial disclosure statements must be filed every six months, instead of annually, and the maximum amounts of compensation exempted from disclosure are reduced. Penalties for knowingly filing false or incomplete financial disclosures are increased. Financial disclosure statements must be filed electronically, and the Secretary of State is required to provide computer programs to accommodate electronic filings.

Affected Plans: N/A

First sponsor: Rep. Campbell

Current Action: ***1/28 referred to House Judiciary***

H2276**PREMIUM TAX REDUCTION**

The insurance premium tax rate is decreased from 2 percent to 1.9 percent in 2015, 1.8 percent in 2016, and 1.7 percent in 2017 and after.

Affected Plans: PSPRS

First sponsor: Rep. Forese

Current Action: 3/27 from Senate Appropriations with amendment [#4829](#); 3/25 Senate Appropriations amended; report awaited; 3/20 from Senate Finance do pass; Hearing: 3/19 at 2:00 PM, Senate Rm. 3; 3/10 referred to Senate Finance, Senate Appropriations; 3/6 House COW approved; Passed House 36-22, ready for Senate; 3/4 from House Rules okay; 2/13 from House Appropriations do pass; Hearing: 2/12 at 2:00 PM, House Rm. 1; 1/29 from House Insurance & Retirement do pass; 1/28 House Insurance & Retirement do pass, report awaited; 1/28, 2:00 PM, House Rm. 3; 1/27 referred to House Insurance & Retirement, House Appropriations

H2408**FINANCIAL DISCLOSURES; ELECTRONIC FILING**

Annual financial disclosures the public officers are required to file with the Secretary of State must be filed electronically.

Affected Plans: N/A

First sponsor: Rep. Stevens

Current Action: 4/22 signed by the Governor, Chapter and Number awaited; 4/17 passed Senate 28-0, ready for the Governor; 4/16 Senate COW approved; 4/7 stricken from Senate consent calendar by McCornish; 4/3 from Senate Rules okay, to Senate consent calendar; 3/24 from Senate Government & Environment do pass; Hearing: 3/21 at 9:00 AM, Senate Rm. 3; 3/17 passed House 56-0, ready for Senate; 3/17 House COW approved with amendment [#4146](#); 3/13 from House Rules okay; 3/4 withdrawn from House Technology & Infrastructure; 2/13 from House Judiciary with amendment [#4146](#); Hearing: 2/13 at 9:00 AM, House Rm. 4; Hearing: 1/30 at 9:00 AM, House Rm. 5; 1/28 referred to House Judiciary, Technology & Infrastructure

H2552**RETIREMENT; RETURN TO WORK; RESTRICTIONS**

Arizona State Retirement System, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan employers are prohibited from contracting with or leasing a retired member within 365 days after the member's retirement date.

Affected Plans: PSPRS

First sponsor: Rep. Allen

Current Action: 2/11 referred to House Insurance & Retirement; House Insurance & Retirement held.

H2693 PSPRS; EMPLOYER LIABILITY; DEATH BENEFITS

For actuarial valuation purposes, the amount computed as benefits for a surviving spouse and eligible child of a deceased member of the Public Safety Personnel Retirement System who is killed in the line of duty and the amount computed as benefits for a PSPRS member for a catastrophic disability must be charged against the investment earnings of the PSPRS Fund before those earnings are distributed to each employer.

Affected Plans: PSPRS

First sponsor: Rep. Tobin

Current Action: 4/23 passed Senate 28-0; ready for the Governor; 4/16 Senate COW approved; 4/14 from Senate Rules okay; Hearing: 4/10, Senate Caucus Rm.; 3/20 from Senate Finance do pass; 3/19 Senate Finance do pass; report awaited; Hearing: 3/19 at 2:00 PM, Senate Rm. 3; 3/3 referred to Senate Finance; 2/27 House COW approved with floor amendment #4388. Passed House 58-0, ready for Senate; 2/24 from House Rules okay; 2/19 from House Insurance & Retirement do pass; 2/12 referred to House Insurance & Retirement

S1034 FINANCIAL DISCLOSURE; MODEL LEGISLATION; LOBBYING

The information that must be disclosed in public officer financial disclosure statements is expanded to include a description of any benefit received by the public officer or any member of his/her household or any of his/her relatives if the benefit is in the form of travel, lodging or registration fees related to a conference or other event. The Secretary of State is required to post information from financial disclosure statements on the website. For the purpose of lobbyist registration and regulations, the definition of "lobbying" includes communicating with or assisting a legislator with respect to or promoting the passage of draft, proposed or model legislation, whether at a conference or other event occurring at a location other than the Legislature or while at the Legislature. The descriptions of persons exempt from lobbyist regulations are modified. The information that must be contained in lobbyist expenditure reports is expanded to include registration fees paid for a conference or other event.

Affected Plans: N/A

First sponsor: Sen. Farley

Current Action: 1/13 referred to Senate Elections, Senate Government & Environment

S1104 STATE EMPLOYEES; BACKFILLING; REWARD INCENTIVES

The Department of Administration is authorized to adopt rules to provide incentive rewards to state employees for backfilling vacant positions. The head of each governmental unit is authorized to use vacancy savings to provide incentive rewards for employees who backfill vacant positions in an amount of up to 1/3 of the vacancy savings realized for that position for up to 5 years. The other 2/3 of the vacancy savings reverts to the fund from which it was appropriated.

Affected Plans: N/A

First sponsor: Sen. Worsley

Current Action: 1/21 referred to Senate Government & Environment and Appropriations

S1156 PROHIBITED ELECTRONIC DATA; METADATA COLLECTION

State agencies, political subdivisions and their employees and contractors are prohibited from providing assistance to any federal agency or complying with any federal law that purports to authorize the collection of electronic data or metadata of any person pursuant to any action that is not based on a warrant that "particularly describes" the person, place and thing to be searched or seized. The State Treasurer is prohibited from transferring any monies to a political subdivision in the fiscal year after a final judicial determination that the political subdivision adopted a rule or policy that intentionally violated this prohibition. An agent or employee in violation is deemed to have resigned and is forever after ineligible to hold any office of trust, honor or emolument under the laws of Arizona.

Affected Plans: N/A

First sponsor: Sen. Ward

Current Action: 2/25 from Senate Rules okay; Hearing: 2/24 at 1:00 PM, Senate Caucus Rm.; 2/4 from Senate Government & Environment with amendment [#4049](#); 1/23 referred to Senate Government & Environment

S1284 PUBLIC SAFETY OFFICERS; OMNIBUS

Various changes relating to public safety officers. Peace officers are authorized to request that the general public be prohibited from accessing the officer's personal identifying information contained in any record maintained by the clerk of the superior court by filing an affidavit with specified information. The redaction of the officer's information, if granted by the court, is in effect for five years. The Cancer Insurance Policy Program administered by the Public Safety Personnel Retirement System for participating employers that employ firefighters and peace officers is expanded to include corrections officers and detention officers. Eliminates the repeal date of October 1, 2014 for the Public Safety Supplemental Benefits Plan.

Affected Plans: PSPRS

First sponsor: Sen. Crandell

Current Action: 4/23 signed by the Governor, Chapter and Number awaited; 4/21 Senate concurred in House amendments and passed on final reading 23-0; ready for the Governor; 4/15 passed House 60-0, ready for Senate action on House amendments; 4/1 House COW approved with amendment [#4738](#) and floor amendment [#4861](#); 3/24 from House Rules okay; Hearing: 3/24 at 10:30 AM, House Rm. 4; 3/19 from House Insurance and Retirement with amendment [#4738](#); Hearing: 3/18 at 2:00 PM, House Rm. 3; 3/13 referred to House Insurance and Retirement; 3/10 passed Senate 25-0, ready for House; 3/6 Senate COW approved with amendment [#4132](#) and floor amendment [#4568](#), the Senate Rules technical amendment was withdrawn; 3/4 from Senate Rules with a technical amendment; 2/13 from Senate Public Safety; 2/12 Senate Public Safety amendment [#4132](#); report awaited; 2/3 referred to Senate Public Safety

S1450 RETIREMENT; PSPRS; SURVIVOR BENEFITS

A beneficiary designated by a deceased member of the Public Safety Personnel Retirement System must be paid a surviving spouse's pension only if it does not result in an abrogation of a deceased member's community property obligations.

Affected Plans: PSPRS

First sponsor: Sen. Gallardo

Current Action: 2/5 referred to Senate Finance

The 2014 general election ballot is to carry the question of whether to amend the state Constitution to provide that the Constitutional provision prohibiting public retirement system benefits from being diminished or impaired does not prohibit increases in member contributions or reductions in member benefits that are consistent with generally accepted actuarial standards and that are in the interest of the financial stability of the system.

Affected Plans: PSPRS, CORP & EORP

First sponsor: Rep. Kavanagh

Current Action: 1/28 referred to House Insurance & Retirement