

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
2016 PROPOSED LEGISLATION**

(52nd Legislature, 2nd Regular Session)

**Updated May 24, 2016**

**H2019 CREDITED SERVICE; MILITARY SERVICE PURCHASE**

Members of the Elected Officials Retirement Plan, Public Safety Personnel Retirement System and Corrections Officer Retirement Plan are permitted to purchase credited service for periods of active military service if the member has at least 5 years of credited service with the applicable plan, decreased from 10 years. Retroactive to August 2, 2012 and until July 1, 2017, for PSPRS, EORP and CORP, the discount rate used by the actuary for the calculation of the actuarial present value of the projected benefits is an amount equal to the assumed rate of return that is prescribed by the PSPRS Board. AS PASSED HOUSE.

Affected Plans: CORP, EORP & PSPRS

First sponsor: Rep. Stevens

*Current Action: 4/5 SIGNED BY GOVERNOR, Chapter 90, Laws 2016; 3/28 passed Senate 27-0, ready for Governor; 3/23 Senate COW approved; 3/23 Senate COW: 3/22 Senate Caucus; 3/15 from Senate Rules okay; 3/2 from Senate Finance do pass; Hearing: 3/2 at 9:00 AM, Senate Rm. 3; 2/24 from Senate Public Safety, Military & Technology do pass; 2/24 from Senate Public Safety, Military & Technology; Hearing: 2/24 at 9:00 AM, Senate Rm. 1; 2/16 referred to Senate Public Safety, Military & Technology, Finance; 2/8 passed House 56-0; ready for Senate; 2/4 House COW approved with floor amendment [#4091](#); 2/3 retained on House COW Calendar; 1/27 stricken from House Consent Calendar by Rep. Stevens; 1/26 from House Rules okay; 1/25 to House Consent Calendar; 1/21 from House Government & Higher Education do pass; 1/11 referred to House Government & Higher Education*

**H2074 PUBLIC SAFETY EMPLOYEES; OMNIBUS**

Various changes relating to public safety employees. Neither a public entity nor a public employee is liable for an injury caused by a peace officer if the injury was caused by any act or omission while rendering emergency care at the scene of an emergency occurrence. Employees of "other members" (defined elsewhere in statute) of purpose of the Corrections Officer Retirement Plan are eligible to participate in the Firefighter, Peace Officer and Corrections Officer Cancer Insurance Policy Program. Retroactive to August 2, 2012, for the Public Safety Personnel Retirement System, the discount rate used by the actuary for the redemption calculation for prior service (which was enacted in 2012) must be used beginning January 1, 2018. AS PASSED SENATE.

Affected Plans: PSPRS

First sponsor: Rep. Borrelli

*Current Action: 5/11 SIGNED BY GOVERNOR, chapter number awaited; 5/4 House concurred in Senate amendments and passed on final reading 60-0, ready for Governor; 3/29 passed Senate 28-0, ready for House action on Senate amendments; 3/28 Senate COW approved with amendment [#4837](#) and floor amendment [#5032](#); 3/28 Senate COW: 3/23 Senate Caucus; 3/15 from Senate Rules okay; 3/9 from Senate Public Safety, Military & Technology with amendment [#4837](#); 3/9 Senate Public Safety, Military & Technology amended, report awaited; Hearing: 3/9 at 9:00 AM, Senate Rm. 1; 3/3 referred to Senate Public Safety, Military & Technology; 3/1 passed House 58-0, ready for Senate; 2/25 House COW approved with amendment [#4104](#) and floor amendment [#4552](#) and [#4553](#); 2/23 from House Rules okay; 2/4 from House Military Affairs & Public Safety with amendment [#4104](#); 2/4 from House Military Affairs & Public Safety amended, report awaited; 1/21 referred to House Military Affairs & Public Safety*

## **H2237 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 one year after the member's retirement date.

Affected Plans: PSPRS and CORP  
First sponsor: Rep. J. Allen

*Current Action: 5/5 referred to House Rules only*

## **H2512 PENSION CONTRIBUTIONS; EXPENDITURE LIMIT EXEMPTION**

An employer contribution to the Public Safety Personnel Retirement System made by a county or municipality in excess of the county's or municipality's required contribution is excluded from the county's or municipality's expenditure limitation established by the state Constitution.

Affected Plans: PSPRS  
First sponsor: Rep. Coleman

*Current Action: 3/17 Senate Caucus; 3/15 from Senate Rules okay ; Hearing: 2/24 at 9:00AM, Senate Rm. 3; 2/24 Senate Finance do pass, report awaited, 2/23 referred to Senate Finance; 2/18 passed House 29-18, ready for Senate; 2/17 House COW approved with amendment [#4102](#); 2/16 from House rules okay; 2/4 from House Government & Higher Education with amendment [#4102](#); 2/4 from House Government & Higher Education amended; report awaited; 1/28 House Government & Higher Education held; 1/25 referred to Government & Higher Education*

## **H2583 OPEN MEETINGS; AUDIOVISUAL RECORDINGS**

All public bodies are required to provide for a complete audiovisual recording of all their meetings, including executive sessions, and are required to post the audiovisual recording of a meeting on its website within 24 hours after the meeting.

Affected Plans: N/A  
First sponsor: Rep. Stevens

*Current Action: 2/29 House voted to reconsider in COW to further amend the bill and third read, House COW approved with amendment [#4383](#) and floor amendment [#4651](#). FAILED to pass House on reconsideration 28-31; 2/25 FAILED to pass House 23-36: House COW approved with amendment [#4383](#) and floor amendment [#4505](#); 2/22 from House Rules okay; Hearing: 2/22 at 1:00 PM, House Rm. 4; 2/18 from House Government & Higher Education with amendment [#4383](#); 2/18 House Government & Higher Education amended, report awaited; 2/9 referred to Government & Higher Education*

## **H2617 ISRAEL; BOYCOTTS; CONTRACTS; INVESTMENTS**

“Public entities” (defined) are prohibited from entering into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel. Some exceptions. By April 1 of each year, each "public fund" (defined as the State Treasurer or a retirement system) is required to prepare a list of “restricted companies” (defined as companies that boycott Israel) and post the list on its website. The State Treasurer and each retirement system are required to sell, redeem, divest or withdraw all direct holdings of a restricted company from the assets under their management in an orderly and fiducially responsible manner within three months after posting the list. Severability clause. AS PASSED HOUSE.

First sponsor: Rep. Gowan

*Current Action: 3/17 SIGNED BY GOVERNOR, Chapter 46, Laws 2016; 3/14 House concurred in Senate amendments and passed on final reading 42-16, ready for Governor; 3/14 House Final Reading; Hearing: 3/10 at 1:00 PM, Senate Caucus Rm. 1; 3/10 from Senate Finance with amendment [#4848](#), from Senate rules okay. Senate COW approved with amendment [#4848](#). Passed Senate 23-6, ready for House action on Senate amendments; 3/9 Senate Finance amended, report awaited; 3/3 from Senate Government do pass; 3/2 Senate Government do pass, report awaited; 3/1 from Senate Federalism, Mandates & Fiscal Responsibility, do pass; 2/18 referred to Senate Federalism, Mandates & Fiscal Responsibility, Finance; 2/17 House COW approved with amendment [#4183](#) and floor amendment [#4335](#). Passed House 46-14, ready for Senate; 2/16 from House Rules okay; 2/10 from House Federalism & States' Rights with amendment [#4183](#), 2/10 House Federalism & States' Rights amended, report awaited; 2/4 referred to House Federalism & States' Rights*

## **H2643 PSPRS; CORP; EORP; ADMINISTRATION CHANGES**

Various changes relating to public retirement systems. For the Public Safety Personnel Retirement System and the Corrections Officer Retirement Plan, the alternate contribution rate is the portion of the individual employer’s total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the fiscal year, instead of to the total required contribution for all employers. For the Elected Officials’ Retirement Plan, a member who retires and who subsequently becomes an elected official, by election or appointment, is not considered reemployed by the same employer.

Affected Plans: CORP & PSPRS

First sponsor: Rep. Olson

*Current Action: 5/17 SIGNED BY GOVERNOR, chapter number awaited; 5/7 passed Senate 28-0, ready for Governor; 4/4 Senate COW approved; 3/28 from Senate Rules okay; Hearing: 3/28 at 1:00 PM, Senate Caucus Rm. 1; 3/17 from Senate Finance do pass; 3/16 Senate Finance do pass, report awaited; Hearing: 3/16 at 9:00 AM, Senate Rm. 3; 3/7 referred to Senate Finance; 3/2 passed House 58-0, ready for Senate; 2/29 House COW approved with amendment [#4385](#); 2/23 from House Rules okay; 2/18 from House Government & Higher Education with amendment [#4385](#); 2/18 House Government & Higher Education do pass, report awaited; 2/8 referred to House Government & Higher Education*

**H2703****BUDGET; BRB; GOVERNMENT; FY2016-17**

Makes various policy changes in the operation of state government that impact the budget. The State Board of Investment and State Treasurer are required to take all actions necessary for the distributions to be made from the State Trust Land Fund as required by the state Constitution and state statute. If the Board or the State Treasurer fails to perform those duties, the Governor, the Speaker of the House of Representatives or the President of the Senate is authorized to file an action with the Supreme Court to obtain a writ of mandamus or other appropriate action to compel performance of the Board's or Treasurer's duties. The information that the ASRS Board and PSPRS Board must include in their annual report to the Governor and the Legislature is expanded to include an estimate of the aggregate fees paid for private equity investments, including management fees and performance fees. Retroactive to July 1, 2015, the Arizona Medical Board is authorized to expend a supplemental appropriation from FY2014-15 in FY2015-16, but is prohibited from expending those monies after June 30, 2016. Makes a supplemental appropriation of \$300,000 from the general fund in FY2015-16 to the Emergency Management Assistance Compact Revolving Fund. AS SIGNED BY GOVERNOR.

Affected Plans: PSPRS

First sponsor: Rep. Montenegro

***Current Action: 5/10 SIGNED BY GOVERNOR, Chapter 121, Laws 2016; 5/3 House COW approved with floor amendment #5258, passed House 35-24, substituted in Senate for identical SI534 and passed 18-12, ready for Governor; 4/29 from House Appropriations do pass, from House Rules okay; 4/28 House Appropriations do pass, report awaited; 4/27 referred to House Appropriations***

**S1152****PSPRS; EORP; CORP; CONTINUATION**

The statutory life of the Public Safety Personnel Retirement System Board of Trustees, which includes responsibility for the Elected Officials' Retirement Plan, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan, is extended eight years to July 1, 2024. Retroactive to July 1, 2016.

Affected Plans: PSPRS, CORP & EORP

First sponsor: Sen. Lesko

***Current Action: 5/17 SIGNED BY GOVERNOR, Chapter 306, Laws 2016; 5/7 passed House 54-0, ready for Governor; 3/14 from House Rules okay, to House consent calendar; 3/3 from House Government and Higher Education do pass; 2/24 referred to House Government and Higher Education; 2/8 passed Senate 30-0, ready for House; 2/2 from Senate Rules okay; 2/1 to Senate consent calendar; 1/27 from Senate Finance do pass; 1/19 referred to Senate Finance.***

## **S1160 CORP; REVERSE DEFERRED RETIREMENT OPTION**

The reverse deferred retirement option plan for members of the Corrections Officer Retirement Plan no longer terminates on June 30, 2016. Emergency clause.

Affected Plans: CORP

First sponsor: Sen. Smith

***Current Action: 3/30 SIGNED BY GOVERNOR, Chapter 74, Laws 2016; 3/24 passed House 59-0, ready for Governor; 3/16 House consent; 3/14 from House Rules okay, to House consent calendar; 3/3 from House Government & Higher Education do pass, report awaited; Hearing: 3/3 at 9:00 AM, House Rm. 1; 2/23 referred to House Government & Higher Education; 2/18 passed Senate 29-0; ready for House; 2/16 from Senate rules okay; 2/15 to Senate consent calendar; 2/11 from Senate Finance do pass; 2/10 Senate Finance do pass; 1/20 referred to Senate Finance***

## **S1206 RETIREMENT PLANS; ELECTED OFFICIALS; OPT-OUT**

If a state elected official who is subject to term limits, who is initially elected or appointed before January 1, 2014 and who has continuously elected not to participate in the Elected Officials Retirement Plan (EORP) is subsequently elected or appointed as a state elected official who is subject to term limits on or after January 1, 2014, the official is eligible to become a member of EORP or may elect not to participate. If the official becomes a member of EORP, credited service only accrues from the date of the member's most recent eligibility as a state elected official. An EORP member who is a state elected official and who is subject to term limits is permitted to elect not to accept the employer's contribution to the member's annuity account of the EORP defined contribution plan. Specified changes are retroactive to September 13, 2013. AS PASSED SENATE.

Affected Plans: EORP

First sponsor: Sen. Worsley

***Current Action: 5/6 House third reading; 3/17 from House Rules okay, House COW approved; 3/10 from House Government & Higher Education do pass; Hearing: 3/10 at 9:00 AM, House Rm. 1; 3/2 referred to House Government & Higher Education; 2/25 passed Senate 28-0, ready for House; 2/24 Senate COW approved with amendment [#4343](#); 2/23 from Senate Rules okay; Hearing: 2/22 at 1:00 PM, Senate Caucus Rm. 1; 2/18 from Senate Finance with amendment [#4343](#); 2/17 Senate Finance amended, report awaited; 1/21 referred to Senate Finance***

Various changes to statutes relating to the Public Safety Personnel Retirement System. Establishes a method for determining the employer and member contributions to PSPRS for members hired on or after July 1, 2017. Modifies the definition of “average monthly benefit compensation” for the purpose of determining PSPRS retirement benefit amounts and the definition of “normal retirement” and applies these changes only to members hired on or after July 1, 2017. For members who are hired on or after July 1, 2017, the annual compensation of each member taken into account for purposes of the system cannot exceed \$110,000, decreased from \$200,000. Beginning in FY2020-21 and every third FY after, the PSPRS Board is required to adjust the annual compensation limit by the average change in the public safety wage index as determined by a specified method. Establishes retirement multipliers based on years of credited service for members who become a PSPRS member on or after July 1, 2017. Repeals statutes providing for benefit increases, and establishes cost-of-living adjustments for members hired on or before June 30, 2017, and for members hired on or after July 1, 2017. Increases the number of members of the PSPRS Board to nine, from seven, and modifies requirements for Board members. Establishes a 10-member PSPRS Advisory Committee. The PSPRS Board is required to establish a Public Safety Personnel Defined Contribution Plan (DC Plan) to provide for the retirement of specified participants beginning July 1, 2017. Establishes powers and duties of the Board for the DC Plan, and establishes member and employer contributions to the DC Plan. An employee who is hired on or after July 1, 2017 and who was not a member of the PSPRS on June 30, 2017 is eligible and may elect to participate in either the PSPRS or in the DC Plan, and the election made is irrevocable. The employee’s participation in either system begins 90 days after the date the employee is hired. Also establishes a DC Plan disability program. More. Conditionally enacted on the state Constitution being amended as prescribed by Senate concurrent resolution 1019 by vote of the people at the special election on May 17, 2016. Severability clause. AS PASSED HOUSE.

Affected Plans: PSPRS

First sponsor: Sen. Lesko

***Current Action: 2/16 SIGNED BY GOVERNOR, Chapter 2, Laws 2016; 2/16 signed by Governor, chapter number awaited; 2/15 Senate concurred in House amendments are passed on final reading 28-0, ready for Governor; 2/11 form House rules okay, House COW approved with floor amendment #4217, passed House 49-10, ready for Senate action on House amendments; 2/10 from House Insurance do pass; 2/8 referred to House Insurance; 2/4 from Senate Finance with amendment #4059, from Senate Rules okay, Senate COW approved with amendment #4059, passed Senate 28-0, ready for House; 2/3 Senate Finance amended, report awaited; 2/2 referred to Senate Finance***

The purpose of the special election called by Laws 2015, first special session, chapter 2 is expanded to include proposed amendments to the state Constitution that are proposed by Senate concurrent resolution 1019 that provide for changes to public retirement systems. For the public retirement systems measure, the Legislative Council analysis and Joint Legislative Budget Committee fiscal impact statement summary, and any arguments for or against the measure must be submitted to the Secretary of State no later than February 23, 2016. Emergency clause. AS PASSED SENATE.

Plans Affected: CORP & PSPRS

First sponsor: Sen. Lesko

***Current Action: 2/16 SIGNED BY GOVERNOR, Chapter 2, Laws 2016; 2/16 signed by Governor, chapter number awaited; 2/11 from House Rules okay, House COW approved, passed House 49-10, ready for Governor; 2/10 from House Insurance do pass; 2/8 referred to House Insurance; 2/4 from Senate Finance with amendment #4060, from Senate rules okay, Senate COW approved with amendment #4060, passed Senate 28-0, ready for House; 2/3 Senate Finance amended, report awaited, 2/2 referred to Senate Finance***

The 2016 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 certain adjustments to the Public Safety Retirement System as provided in Senate Bill 1428, and does not restrict the Legislature's ability to modify public retirement system benefits for prospective members of public retirement systems. AS PASSED HOUSE.

Plans Affected: PSPRS

First sponsor: Sen. Lesko

*Current Action: 2/15 Senate concurred on House amendments and passed on final reading 28-0, to Secretary of State; 2/11 from House Rules okay, House COW approved with floor amendment [#4218](#), passed House 49-10, ready for Senate action on House amendments; 2/10 from House Insurance do pass; 2/8 referred to House Insurance; 2/4 Senate COW approved with amendment [#4061](#) and floor amendment [#4090](#), passed Senate 28-0 ready for House; 2/4 from Senate Finance with amendment [#4061](#), from Senate Rules okay; 2/3 Senate Finance amended, report awaited; 2/2 referred to Senate Finance*