

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
2017 PROPOSED LEGISLATION**

(53rd Legislature, 1st Regular Session)

Updated May 12, 2017

H2315 PSPRS; NORMAL RETIREMENT; AGE; REPEAL

Eliminates the normal retirement ages for members of the Public Safety Personnel Retirement System hired on or after January 1, 2012, leaving the number of years of service to determine normal retirement.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Cardenas

Current Action: 1/18 referred to House Banking and Insurance

H2369 REPEAL; STATE BOARDS & COMMITTEES

Repeals various state boards and committees. Repeals the Arizona State Parks Board, and transfers Board powers and duties to the Arizona State Parks Director. Repeals the Arizona Agricultural Protection Commission and the chapter of statute known as the Arizona Agricultural Protection Act. Repeals the Citizens Transportation Oversight Committee, the Conservation Advisory Committee, the Advisory Board of the Arizona State Library, Archives and Public Records, the Agricultural Best Management Practices Advisory Committee, and the Water Quality Assurance Revolving Fund Advisory Board. AS PASSED SENATE.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Shope; Others: Rep. J. Allen

Current Action: 5/10 House concurred in Senate amendments and passed on final reading 34-21, ready for Governor; 5/9 Senate COW approved with amendment [#4843](#) and floor amendment [#5125](#). Passed Senate 16-12, ready for House action on Senate amendments; 5/9 retained on Senate COW calendar; 3/28 from Senate rules okay; Hearing: 3/27 at 1:00 PM, Senate Caucus Rm. 1; 3/23 from Senate Government with amendment [#4843](#); Hearing: 3/22 at 2:00 PM, Senate Rm. 109; 2/20 referred to Senate Government; 2/16 House COW approved, passed House 34-24, ready for Senate; 2/14 from House rules okay, stricken from House consent calendar by Powers Hannely; 2/13 to House consent calendar; Hearing: 2/13 at 12:45 PM, House Rm. 4; 2/2 from House Government do pass; Hearing: 2/2 at 9:30 AM, House Rm. 1; 1/26 referred to House Government

Various changes to statutes governing the Elected Officials Retirement Plan (EORP), the Corrections Officer Retirement Plan (CORP), and the Public Safety Personnel Retirement System (PSPRS). All distributions required under any of the plans must be determined and made according to a specified section of the federal Internal Revenue Code and the regulations issued under that section by the U.S. Secretary of the Treasury. If more than the correct amount of employer or member contributions is paid into EORP, CORP or PSPRS by an employer through a mistake of fact, the appropriate Board is required to return those contributions upon a request made within one year after the date of overpayment. Establishes a new monthly disability benefit calculation for an EORP member who was elected, appointed or hired on or after July 1, 2017 and who meets the requirements for a disability pension. If a PSPRS member was initially employed on or after July 1, 2017, received a severance refund on termination of employment, and is subsequently reemployed by a PSPRS employer, the member returns to the PSPRS system as irrevocably elected. If a member of the PSPRS defined contribution plan dies before completing 10 years of service, the employer contributions are immediately fully vested. If a PSPRS defined contribution plan participant is killed in the line of duty or dies from injuries suffered in the line of duty, the PSPRS local board is required to follow the same procedures as under the PSPRS defined benefit plan to determine eligibility for and the continuation of a death benefit to a surviving spouse or any eligible child, and a calculation is established for the amount of the monthly death benefit. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS, CORP and EORP
First sponsor: Rep. John; Others: Rep. Coleman

Current Action: 5/3 signed by Governor, Chapter 269, Laws 2017; 4/27 House concurred in Senate amendments and passed on final reading 56-0, ready for Governor; 4/24 passed Senate 29-0, ready for House action on Senate amendments; 4/13 Senate COW approved with amendment [#4738](#) and floor amendment [#4979](#); 3/21 from Senate rules okay; 3/15 from Senate Finance with amendment [#4738](#); Hearing: 3/15 at 9:00 AM, Senate Rm. 1; 2/28 referred to Senate Finance; 2/23 from House Rules okay, House COW approved with amendment [#4320](#), passed House 60-0, ready for Senate; 2/16 from House Government with amendment [#4320](#); 2/16 House Government amended, report awaited; Hearing: 02/16 at 9:00 AM, House Rm. 1; 2/8 referred to House Government

H2515 GOVERNOR APPOINTEES; CRIMINAL RECORDS CHECK

Before nomination by the Governor, a prospective nominee for any state office that is appointed by the Governor and subject to the consent of the Senate is required to submit a full set of fingerprints to the Governor for the purpose of obtaining a state and federal criminal records check. Before appointment by the Governor, the nominees for a justice or judge of the Supreme Court, an intermediate appellate court, the superior court or another court is required to submit a full set of fingerprints to the Governor for the purpose of obtaining a state and federal criminal records check. Some exceptions. Before appointment by the Governor, a prospective member of the Board of Osteopathic Examiners, Naturopathic Physicians Medical Board, Board of Homeopathic and Integrated Medicine Examiners, Board of Behavioral Health Examiners, Board of Occupational Therapy Examiners, Board of Respiratory Care Examiners, Acupuncture Board of Examiners, Board of Podiatry Examiners, Regulatory Board of Physician Assistants, Board of Nursing, Board of Dispensing Opticians, Board of Optometry or Board of Dental Examiners is required to submit a full set of fingerprints to the Governor for the purpose of obtaining a state and federal criminal records check. Before appointment by the Governor, a prospective member of the Arizona Commerce Authority Board, the Arizona Finance Authority Board, the Board of Trustees of the Public Safety Personnel Retirement System or the Arizona Peace Officer Standards and Training Board is required to submit a full set of fingerprints to the Governor for the purpose of obtaining a state and federal criminal records check. Before an individual is hired as an employee of the Office of the Governor, that individual is required to submit a full set of fingerprints to the Governor for the purpose of obtaining a state and federal criminal records check. The Department of Public Safety is authorized to exchange criminal justice information and central state repository information with the Governor for these purposes. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS
First sponsor: Rep. E. Farnsworth

Current Action: 5/22 signed by Governor, Chapter 327, Laws 2017; 5/9 passed Senate 29-0, ready for Governor; 5/8 Senate COW approved; 3/14 stricken from Senate consent calendar by Yarbrough; 3/14 from Senate rules okay; 3/13 to Senate consent calendar; 3/9 from Senate Government do pass; 3/8 Senate Government do pass, report awaited; 2/28 referred to Senate Government; 2/22 passed House 36-24, ready for Senate; 2/22 House COW approved with floor amendment [#4485](#); 2/20 from House Rules okay, stricken from House consent calendar by Butler, Farnsworth; 2/20 to House consent calendar; 2/16 from House Judiciary & Public Safety do pass; 2/9 referred to House Judiciary & Public Safety.

S1046 ARIZONA STATE PARKS BOARD; TRAILS

The Arizona State Parks Board is renamed the Arizona State Parks and Trails Board and the State Parks and Revenue Fund is renamed the Arizona State Parks and Trails Revenue Fund.

Affected Plans/Statutes: PSPRS
First sponsor: Sen. Borrelli

Current Action: 1/10 referred to Senate Natural Resources, Energy & Water

S1063 PSPRS; RISK POOL (TECH CORRECTION; PAYMENT METHOD)

Establishes the Public Safety Employer Risk Pool for members of the Public Safety Personnel Retirement System (PSPRS) hired on or after July 1, 2017, which consists of any PSPRS employer of an eligible group that has, as of the effective date of this legislation, 250 or fewer active members who were hired before July 1, 2017, and any new employer in the PSPRS that has 250 or fewer employees on the effective date of participation in PSPRS. If any individual employer in the Risk Pool experiences a deviation in reported active member payroll of greater than 20 percent of the average of all participating employers in the Risk Pool in a 24-month period, the PSPRS actuary is required to prepare a financial impact report to determine whether the deviation created an increased or decreased unfunded liability within the Risk Pool. If it created an increased unfunded liability, the responsible employer is required to pay 100 percent of the cost of the increase in the unfunded liability. If it created a decreased unfunded liability, the PSPRS is required to credit the responsible employer 100 percent of the cost of the decrease. Each employer in the Risk Pool is required to make contributions sufficient under the PSPRS consolidated actuarial valuation to pay 50 percent of both the normal cost plus the actuarially determined amount required to amortize the total unfunded accrued liability within the Risk Pool, and the remaining 50 percent must be divided by the total number of PSPRS members in the Risk Pool so that each member contributed an equal percentage of the member's compensation. Establishes the Retiree Pool Account in the PSPRS Fund for the purpose of sharing the actuarial liability attributable to uncontrollable costs for employers of members hired on or after July 1, 2017, and establishes calculations for amounts that must be transferred from employer accounts to the Account for members who are determined eligible for retirement, disability or death benefits. The Account must remain 100 percent funded. In any fiscal year that the Account is not 100 percent funded as of June 30, the amount necessary to adjust the account must be transferred from or to the investment earnings of the Fund before those earnings are distributed to each employer's account. Emergency clause. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Lesko

Current Action: 5/1 signed by the Governor, Chapter 235, Laws 2017; 4/25 Senate concurred in House amendments and passed on final reading 28-0, ready for Governor; 4/20 passed House 55-0, ready for Senate action on House amendments; 4/12 House COW approved with amendment [#4795](#); 3/28 from House Rules okay; 3/27 to House COW consent calendar; 3/21 from House Banking & Insurance with amendment [#4795](#); 3/6 referred to House Banking & Insurance; 3/1 passed Senate 27-3, ready for House; 2/28 Senate COW approved with amendment [#4490](#) and floor amendment [#4625](#); 2/23 from Senate Rules okay; 2/22 from Senate Appropriations with amendment [#4490](#); 2/15 further referred to Senate Appropriations 1/12 referred to Senate Rules only

S1115 PSPRS; RETIREMENT BENEFIT CALCULATION

For the purpose of the Public Safety Personnel Retirement System, the definition of "normal retirement" is modified to allow employees who become a member of the system on or after January 1, 2012 and before July 1, 2017 to retire after completing 15 years of credited service if the employee is at least 52 1/2 years of age. If a member retires under this provision and has less than 25 years of service, the monthly pension amount is the member's average monthly benefit compensation multiplied by the number of whole and fractional years of credited service multiplied by the appropriate percentage based on the years of credited service as provided in statute. Also, the amount payable as a normal pension is no longer prohibited from exceeding 80 percent of the average monthly benefit compensation. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Lesko

Current Action: 5/2 Signed by the Governor, Chapter 266, Laws 2017; 4/25 passed House 55-0, ready for Governor; 3/28 from House Rules okay; 3/27 to House consent calendar; 3/21 from House Banking & Insurance do pass; 3/8 referred to House Banking & Insurance; 3/6 passed Senate 30-0, ready for House; 2/28 from Senate Rules okay; 2/27 to Senate consent calendar; Hearing: 2/27 at 1:00 PM, Senate Caucus Rm. 1; 1/25 from Senate Finance do pass; 1/18 referred to Senate Finance

S1330 FIRE DISTRICTS; PENSION FUND; TRANSFER

If a fire district that has at least five full-time firefighters elects to provide coverage to its full-time firefighters under the Public Safety Personnel Retirement System (PSPRS), the amount of monies accumulated in the local Fire Fighters' Relief and Pension Fund in excess of the amount necessary to provide benefits for volunteer firefighters may be transferred to the PSPRS Fund for the purposes of paying any service costs of the district attributable to the full-time firefighters who are included in PSPRS. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS

First sponsor: Sen. S. Allen

Current Action: 5/3 Signed by the Governor, Chapter 272, Laws 2017; 4/26 passed House 54-0, ready for Governor; 3/21 from House rules okay; 3/20 to House consent calendar; Hearing: 3/15 at 9:00 AM, House Rm. 5; 3/2 referred to House Local and International Affairs; 2/22 passed Senate 30-0, ready for House, Senate COW approved with the Senate Rules technical amendment; 2/21 from Senate Rules with a technical amendment; Hearing: 2/20 at 1:00 PM, Senate Caucus Rm. 1; 2/16 from Senate Finance do pass; 2/15 Senate Finance do pass, report awaited; Hearing: 2/15 at 8:00 AM, Senate Rm. 1; 1/26 referred to Senate Finance

S1442 CORRECTIONS OFFICER RETIREMENT PLAN; MODIFICATIONS

Various changes to statutes governing the Corrections Officer Retirement Plan (CORP). CORP members who are employees hired on or after July 1, 2018 and who were not an active, inactive or retired CORP member on June 30, 2018 are required to participate in the Public Safety Personnel Retirement System (PSPRS) defined contribution plan. For these CORP members, the employee contribution rate is seven percent, the employer contribution rate is five percent, "compensation" means "salary" as already defined in CORP statutes, and a reduced monthly disability pension calculation is established. Expands the definition of "member" to include probation and surveillance officers hired on or after July 1, 2018, and defines the benefits for these probation and surveillance officer members. Statutes establishing and regulating CORP benefit increases are repealed, and a new cost-of-living adjustment calculation for CORP benefits is established for members hired on or before June 30, 2018. Changes to the cost-of-living calculation for current CORP members are conditionally enacted on the state Constitution being amended as prescribed in SCR1023 by vote of the people at the 2018 general election. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Sen. Lesko; Others: Sen. S. Allen, Sen. Fann, Sen. Pratt, Sen. Worsley

Current Action: 4/17 signed by Governor, Chapter 163, Laws 2017; 4/17 signed by Governor, chapter number awaited; 4/11 Senate concurred in House amendments and passed on final reading 23-7; ready for Governor; 4/10 passed House 53-3, ready for Senate action on House amendments; 4/6 House COW approved with floor amendment [#4950](#), a substitute for amendment #4798; 4/4 from House Rules okay; Hearing: 4/3 at 1:00 PM, House Rm. 4; 3/21 from House Banking & Insurance with amendment [#4798](#); 3/20 House Banking & Insurance amended, report awaited; 3/8 referred to House Banking & Insurance; 3/6 passed Senate 17-13, ready for House; 3/1 Senate COW approved with amendment [#4257](#) and floor amendment [#4641](#); 2/23 retained on Senate COW calendar; 2/21 from Senate Rules okay; Hearing: 2/20 at 1:00 PM, Senate Caucus Rm. 1; 2/16 from Senate Finance with amendment [#4257](#); 2/15 Senate Finance amended, report awaited; Hearing: 2/15 at 8:00 AM, Senate Rm. 1; 1/31 referred to Senate Finance

The 2018 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 Corrections Officer Retirement Plan as provided in S1442. AS PASSED SENATE.

Affected Plans/Statutes: CORP

First sponsor: Sen. Lesko

Current Action: 4/26 passed House 53-1, to Secretary of State; 4/19 House COW approved; 4/18 from House Rules okay; 3/21 from House Banking & Insurance do pass; 3/8 referred to House Banking & Insurance; 3/6 passed Senate 17-13, ready for House; 3/1 Senate COW approved with amendment [#4259](#); 2/23 retained on Senate COW calendar; 2/21 from Senate Rules okay; Hearing: 2/20 at 1:00 PM, Senate Caucus Rm. 1; 2/16 from Senate Finance with amendment [#4259](#); 2/15 Senate Finance amended, report awaited; Hearing: 02/15 at 8:00 AM, Senate Rm. 1; 1/31 referred to Senate Finance