

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
2018 LEGISLATIVE SESSION**

(53rd Legislature, 2nd Regular Session)
(adjourned May 4, 2018)

ENACTED BILLS ONLY

**Bills become law on August 3, 2018
(unless stated otherwise)**

To review a bill in its entirety, please visit
The State Legislature's Website: <http://www.azleg.gov/>

HB2097 PENSION FUNDING POLICIES; EMPLOYERS

Beginning on or before July 1, 2019, each governing body of a Public Safety Personnel Retirement System employer is required to annually adopt a pension funding policy for the PSPRS for employees that were hired before July 1, 2017 that includes a list of specified funding objectives, including how to maintain stability of the governing body's contributions to the PSPRS and defining the governing body's funded ratio target under the PSPRS. The governing body is required to post the pension funding policy on its public website. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Livingston

Current Action: Signed by the Governor April 3, 2018. Chapter 112, Laws 2018.

HB2545 EORP; COST-OF-LIVING ADJUSTMENT

For the Elected Officials' Retirement Plan, each retired member or survivor of a retired member is eligible to receive a compounding cost-of-living adjustment in the base benefit based on the average annual percentage change in the metropolitan Phoenix-Mesa consumer price index, with the immediately preceding year as the base year for making the determination, up to a maximum of two percent of the retired member's or survivor's base benefit annually. In the first year of a member's retirement, the cost-of-living adjustment must be prorated based on the date of retirement. The plan actuary is required to include the projected cost of providing the cost-of-living adjustment in the calculation of normal cost and accrued liability. Repeals statutes governing EORP benefit increases. Conditionally enacted on the state Constitution being amended, as prescribed in HCR2032, by the voters at the 2018 general election. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Livingston

Current Action: Signed by the Governor April 5, 2018. Chapter 140, Laws 2018.

HB2564 COURT FEES, EORP; STATE CONTRIBUTION

Statutory fee amounts received by the clerk of the superior court and justices of the peace are increased by 9 to 16 percent. Of the monies received from the fees that are not kept by the court pursuant to statute, the county treasurer or justice of the peace is required to transmit 6 percent to the Elected Officials' Retirement Plan Fund for the purpose of funding a portion of the employers' contributions. The percentages of the monies that are transmitted to various other funds are all decreased. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor. AS SIGNED BY GOVERNOR.

Sponsor: Rep. Livingston

Current Action: Signed by the Governor May 16, 2018. Chapter 317, Laws 2018.

SB1251 PSPRS; CORP; MODIFICATIONS

Various changes relating to the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP). For the purpose of the PSPRS Defined Contribution Retirement Plan, a "participant" (defined) is permitted to make a rollover contribution from a "qualified plan" or an "IRA" (both defined) that must be deposited in a separate rollover account and made immediately available for the participant to either withdraw all or any portion of the lump sum deposit or directly transfer all or any portion of the lump sum deposit to an eligible retirement plan. If a participant in the PSPRS Defined Contribution Retirement Plan is subsequently covered by the federal old age and survivors insurance system, the participant and his/her employer cannot make any contributions on his/her behalf during the period s/he is covered by the federal old age and survivors insurance system. Retroactive to January 1, 2018, the deadline for an Indian tribe to opt out of the public safety employer risk pool is extended one year to December 31, 2018. If an employee hired on or after July 1, 2018 who is eligible to participate in CORP or PSPRS depending on the employee's election is killed in the line of duty or dies from injuries suffered in the line of duty during the first 90 days of employment, the employee is considered as having been enrolled in CORP and the surviving spouse of the deceased employee is eligible for survivor benefits. AS SIGNED BY GOVERNOR.

Sponsor: Sen. D. Farnsworth

Current Action: Signed by the Governor March 20, 2018. Chapter 42, Laws 2018.

Beginning July 1, 2018, instead of July 1, 2044, each Elected Officials' Retirement Plan employer is required to make contributions on a level percent of compensation basis for all employees in an amount sufficient under the actuarial valuation to meet both the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability over a closed period of at least 20 and not more than 30 years. The previous employer contribution rate of 23.5 percent of compensation is deleted. Emergency clause. AS SIGNED BY GOVERNOR.

Sponsor: Sen. Fann

Current Action: Signed by the Governor May 16, 2018. Chapter 343, Laws 2018.