

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
2018 PROPOSED LEGISLATION**

(53rd Legislature, 2nd Regular Session)

**Updated May 17, 2018**

**H2097 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 PASSED HOUSE.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Livingston

*Current Action: 4/3 signed by the Governor, Chapter 112, Laws 2018; 3/28 passed Senate 30-0, ready for Governor; 3/6 from Senate Rules okay; 3/5 to Senate consent calendar; 2/28 Senate Finance do pass, report awaited; Hearing: 2/28 at 9:00 AM, Senate Rm. 1; 2/15 referred to Senate Finance; 2/12 House COW approved with amendment [#4013](#) and floor amendment [#4172](#). Passed House 58-0, ready for Senate; 1/29 from House Rules okay; Hearing: 1/29 at 1:00 PM, House Rm. 4; 1/18 from House Banking and Insurance with amendment [#4013](#); 1/18 House Banking and Insurance amended, report awaited; 1/11 House Banking and Insurance held; 1/9 referred to House Banking and Insurance*

**H2357 EORP; EMPLOYER CONTRIBUTIONS**

Beginning July 1, 2018, each Elected Officials' Retirement Plan employer is required to make contributions on a level percent of compensation basis for all member employees sufficient under an 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 20-30 years. In any fiscal year, an employer's contribution to EORP in combination with member contributions may not be less than the actuarially determined normal cost for that fiscal year. Emergency clause.

Affected Plans/Statutes: EORP

First sponsor: Rep. Livingston

*Current Action: 2/27 referred to Senate Finance; 2/21 passed House on reconsideration 45-15, ready for Senate; 2/12 FAILED to pass House 21-37, House voted to reconsider failure to pass bill, date of second vote to be within the next 14 days; 2/12 House COW approved; 2/6 stricken from House consent calendar by Salman; 2/5 from House Rules okay, to House consent calendar; Hearing: 2/5 at 1:00 PM, House Rm. 4; 1/18 from House Banking and Insurance do pass; 1/16 referred to House Banking and Insurance*

## **H2431 PSPRS; NORMAL RETIREMENT; EMPLOYEE CONTRIBUTIONS**

For the Public Safety Personnel Retirement System, the definition of "normal retirement date" for an employee who becomes a member on or after July 1, 2017, is modified to eliminate the requirement that the employee be at least 55 years of age to retire after 15 years of credited service. The separate calculations for employee contribution rates that applied to employees hired on or after July 1, 2017 are deleted.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Cardenas

*Current Action: 1/24 referred to House Banking and Insurance*

## **H2545 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 PASSED HOUSE.

Affected Plans/Statutes: EORP

First sponsor: Rep. Livingston

*Current Action: 4/5 signed by the Governor, Chapter 140, Laws 2018; 3/29 passed Senate, ready for Governor; 3/28 Senate COW approved; Hearing: 3/26 at 1:00 PM, Caucus Rm. 1; 3/21 Senate Finance do pass; Hearing: 3/21 at 9:00 AM, Senate Rm. 1; 3/1 referred to Senate Finance; 2/21 passed House 58-2, ready for Senate; 2/21 House COW approved with floor amendment [#4452](#), a substitute for amendment 4181; 2/20 stricken from House COW consent calendar by Livingston; 2/19 to House COW consent calendar, from House Rules okay; 2/13 from House Banking and Insurance with amendment [#4181](#); 2/6 referred to House Banking and Insurance*

**H2564****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 PASSED HOUSE.

Affected Plans/Statutes: EORP

First sponsor: Rep. Livingston

***Current Action: 5/16 signed by the Governor, Chapter number awaited; 5/3 Senate COW approved, passed Senate 21-7, ready for Governor; 4/30 from Senate rules okay; 3/26 from Senate Judiciary do pass; 3/22 Senate Judiciary do pass, report awaited; Hearing: 3/22 at 9:00 AM, Senate Rm. 109; 3/1 referred to Senate Judiciary; 2/21 passed House 49-11, ready for Senate; 2/21 House COW approved with amendment #4182 and floor amendment #4453; 2/19 from House Rules okay; 2/13 from House Banking and Insurance with amendment #4182; 2/6 referred to House Banking and Insurance***

**S1251****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 PASSED SENATE.

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Sen. D. Farnsworth

***Current Action: 3/20 signed by Governor, Chapter 42, Laws 2018; 3/15 passed House 57-0, ready for Governor; 3/5 from House Rules okay; 3/5 to House consent calendar; 2/26 from House Banking and Insurance do pass; 2/26 House Banking and Insurance do pass, report awaited; Hearing: 2/26 at 2:00 PM, House Rm. 5; 2/19 referred to House Banking and Insurance; 2/12 passed Senate 29-0, ready for House; 2/8 Senate COW approved with the rules technical amendment; 2/6 from Senate Rules with a technical amendment; Hearing: 2/5 at 1:00 PM, Caucus Rm. 1; 1/31 from Senate Finance do pass; Hearing: 1/31 at 9:00 AM, Senate Rm. 1; 1/22 referred to Senate Finance***

## **S1262 RETIREMENT; ASSUMED RATE OF RETURN**

Beginning with the actuarial valuation report issued for FY2018-19, for all of the defined benefit retirement plans the Public Safety Personnel Retirement System (PSPRS) Board manages, the Board is required to adopt an assumed rate of return that is not greater than 200 basis points above a 3-year rolling average of the 20-year treasury constant maturity rates as of June 30 of the fiscal year for which the actuarial valuation report is being prepared. If the assumed rate of return for FY2018-19 exceeds this threshold, the Board is required to reduce the assumed rate of return by at least 25 basis points annually until the assumed rate of return is at or below the threshold.

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

*Current Action: 3/6 Senate COW approved with floor amendment [#4712](#); 2/20 stricken from Senate consent calendar by Bowie; 2/19 stricken from Senate consent calendar by Yarbrough; 2/19 to Senate consent calendar, from Senate Rules okay; 2/15 from Senate Finance do pass; 2/14 Senate Finance do pass, report awaited; 1/22 referred to Senate Finance*

## **S1292 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. Repeals statutes governing EORP benefit increases. Conditionally enacted on the state Constitution being amended by the voters at the 2018 general election as prescribed in SCR1010. AS PASSED SENATE.

Affected Plans/Statutes: EORP  
First sponsor: Sen. D. Farnsworth

*Current Action: 3/21 withdrawn from House Banking and Insurance and additionally referred to House Appropriations; 2/19 referred to House Banking and Insurance; 2/15 passed Senate 29-0, ready for House; 2/14 Senate COW approved with amendment [#4107](#); 2/13 from Senate Rules okay; 2/7 from Senate Finance with amendment [#4107](#); Hearing: 2/7 at 8:00 AM, Senate Rm. 1; Hearing: 1/31 at 9:00 AM, Senate Rm. 1; 1/23 referred to Senate Finance*

## **S1407 APPROPRIATION; PSPRS; PENSION LIABILITY; PRESCOTT**

Appropriates \$7.8 million from the general fund in FY2018-19 to the Public Safety Personnel Retirement System for deposit in the employer account of the Prescott fire department group to offset the increased pension liability caused by the deaths of the granite mountain hotshots.

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

*Current Action: 2/20 Senate Appropriations no action; Hearing: 2/20 at 2:00 PM, Senate Rm. 109; 1/29 referred to Senate Finance and Senate Appropriations*

**S1478****EORP; EMPLOYER CONTRIBUTIONS**

For each retirement plan or system administered by the Public Safety Personnel Retirement System (PSPRS) Board, information about a member other than a list of specified information is not subject to inspection under public records laws. The PSPRS Board and the PSPRS Administrator are prohibited from allowing any unredacted record to be inspected that contains a member's social security number, bank account information, address, telephone number, e-mail address, medical records, health insurance information, beneficiary or survivor information or disability information or any information that is protected by any federal or state law.

Affected Plans/Statutes: PSPRS, CORP and EORP

First sponsor: Sen. Fann

*Current Action: 5/16 signed by Governor, Chapter number awaited; 5/3 passed House 57-3, ready for Senate action on House amendments. Senate concurred in House amendments and passed on final reading 26-2, ready for Governor; 5/3 House COW approved with amendment #4958, note short title change; 5/2 from House Rules okay; Hearing: 5/2 at 8:30 AM, House Rm. 4; 3/29 from House Appropriations with amendment #4958; 3/28 House Appropriations amended, report awaited; Hearing: 3/28 at 1:00 PM, House Rm. 1; 3/22 withdrawn from House Banking and Insurance and additionally referred to House Appropriations; 2/26 House Banking and Insurance held; Hearing: 2/26 at 2:00 PM, House Rm. 5; 2/19 referred to House Banking and Insurance; 2/15 passed Senate 29-0, ready for House; 2/13 from Senate Rules okay; 2/12 to Senate consent calendar; 2/7 from Senate Finance do pass; Hearing: 2/7 at 8:00 AM, Senate Rm. 1; 1/31 referred to Senate Finance*

**HCR2032****PUBLIC RETIREMENT SYSTEMS**

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 enacted by the 53rd Legislature, 1st Regular Session, and does not prohibit certain adjustments to the Elected Officials' Retirement Plan as provided in an unspecified Senate bill (blank in original). The Legislature requests the Secretary of State return SCR1023, 53rd Legislature, 1st Regular Session, to the Legislature and submit this resolution in lieu of SCR1023.

Affected Plans/Statutes: CORP

First sponsor: Rep. Livingston

*Current Action: 3/29 passed Senate 30-0, to Secretary of State for placement on 2018 general election ballot; 3/28 Senate COW approved; Hearing: 3/26 at 1:00 PM, Caucus Rm. 1; 3/21 Senate Finance do pass, report awaited; Hearing: 3/21 at 9:00 AM, Senate Rm. 1; 3/1 referred to Senate Finance; 2/21 House COW approved with amendment #4183, passed House 57-0, ready for Senate; Hearing: 2/19 at 8:00 AM, House Rm. 4; 2/13 from House Banking and Insurance with amendment #4183; 2/6 referred to House Banking and Insurance*

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 enacted by the 53rd Legislature, 1st Regular Session, and does not prohibit certain adjustments to the Elected Officials' Retirement Plan as provided in S1292 as enacted by the 53rd Legislature, 2nd Regular Session. The Legislature requests the Secretary of State return SCR1023, 53rd Legislature, 1st Regular Session, to the Legislature and submit this resolution in lieu of SCR1023. AS PASSED SENATE.

Affected Plans/Statutes: PSPRS, CORP and EORP

First sponsor: Sen. D. Farnsworth

***Current Action: 3/29 from House Appropriations with amendment [#4947](#); 3/28 House Appropriations amended, report awaited; Hearing: 3/28 at 1:00 PM, House Rm. 1; 3/26 withdrawn from House Banking and Insurance and referred to House Appropriations; 2/19 referred to House Banking and Insurance; 2/15 passed Senate 29-0, ready for House; 2/14 Senate COW approved with amendment [#4108](#); 2/13 from Senate Rules okay; 2/7 from Senate Finance with amendment [#4108](#); Hearing: 1/31 at 9:00 AM, House Rm. 1; 1/23 referred to Senate Finance***