

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
2019 PROPOSED LEGISLATION**

(54th Legislature, 1st Regular Session)

**Updated: June 10, 2019**

**H2007 ASRS; POLITICAL SUBDIVISION PLANS; ADJUSTMENTS**

An employee of a political subdivision who was previously a member of another public employee retirement system and who receives or is eligible to receive retirement benefits from that system is ineligible to receive service credit from the Arizona State Retirement System (ASRS) for the same period of employment. ASRS employers are permitted to correct a contributions error by making payment adjustments through the employer's payroll reporting if the adjustment is made within the same fiscal year and the employer obtains written consent from the employee. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS, CORP and EORP

First sponsor: Rep. Kavanagh

*Current Action: 3/22 signed by the Governor, Chapter 25, Laws 2019; 3/18 passed Senate 30-0, ready for Governor; 3/12 from Senate rules okay; 3/11 to Senate consent calendar; 3/7 from Senate Finance do pass; 3/6 Senate Finance do pass, report awaited; Hearing: 3/6 at 2:00 PM, Senate Rm. 1; 2/25 referred to Senate Finance; 2/11 House COW approved, passed House 55-5, ready for Senate; 2/5 stricken from House consent calendar by Powers Hanley; 2/4 from House Rules okay, to House consent calendar; 1/24 from House Government do pass; 1/24 House Government do pass, report awaited; Hearing: 1/24 at 10:00 AM, House Rm. 1; 1/14 referred to House Government*

**H2088 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. Chavez

*Current Action: 4/29 referred to House Rules only*

**H2089 APPROPRIATIONS; CORRECTIONS OFFICERS; SALARY INCREASES**

Appropriates unspecified amounts (blank in original) from the general fund in FY2019-20 and FY2020-21 to the State Department of Corrections and the Department of Juvenile Corrections for salary increases of unspecified (blank in original) percents for corrections officers.

Affected Plans/Statutes: CORP

First sponsor: Rep. Cobb

*Current Action: 2/11 referred to House Appropriations*

## **H2131 STATE AGENCIES; CITIZEN PORTAL; ACCESS**

Each "state agency" (defined) that collects personal information from any person is required to establish a citizen portal, which must be a secure online website that allows a person to access the person's personal information that the state agency collects and to correct any error in the person's personal information.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Thorpe

*Current Action: 4/9 from Senate Rules okay; Hearing: 4/8 at 1:00 PM, Senate Caucus Rm. 1; 3/19 from Senate Government with amendment [#4802](#); 3/18 Senate Government amended, report awaited; Hearing: 3/18 at 2:00 PM, Senate Rm. 3; 2/28 referred to Senate Government; 2/26 House COW approved, passed House 33-26, ready for Senate; 2/21 stricken from House consent calendar by Bolding; 2/21 from House Rules okay; 2/20 to House consent calendar; 2/6 from House Technology do pass; Hearing: 2/6 at 9:00 AM, House Rm. 5; 1/28 referred to House Technology*

## **H2190 CORP; ACCIDENTAL DISABILITY; DEFINITION**

For the purpose of the Corrections Officer Retirement Plan, the definition of "accidental disability" is modified to mean a physical or mental condition that the local board finds totally and permanently prevents an employee from performing a reasonable range of duties within the employee's department, and that was incurred in the performance of the employee's duties. AS PASSED SENATE.

Affected Plans/Statutes: CORP

First sponsor: Rep. Payne

*Current Action: 6/7 signed by the Governor, chapter number awaited; 5/27 House concurred in Senate amendments and passed on final reading 52-8, ready for Governor; 5/24 from Senate rules okay, Senate COW approved with amendment [#4940](#), Passed Senate 23-3, ready for House action on Senate amendments; 4/4 from Senate Appropriations with amendment [#4940](#); 4/2 Senate Appropriations amended, report awaited; Hearing: 4/2 at 2:00 PM, Senate Rm. 109; 3/28 referred to Senate Appropriations; 3/27 passed House 58-2, ready for Senate; 3/7 House COW approved; 2/26 from House Rules okay; 2/7 from House Government do pass; 2/7 House Government do pass, report awaited; Hearing: 2/7 at 9:00 AM, House Rm. 1; 1/30 from House Public Safety do pass; Hearing: 1/30 at 9:00 AM, House Rm. 3; 1/24 referred to House Public Safety and to House Government*

## **H2346 RETIREMENT SYSTEMS; INVESTMENT FEES; DISCLOSURES**

Each "alternative investment manager" (defined) that receives capital commitments for an "alternative investment vehicle" (defined) from the governing board of a public retirement system is required to file a disclosure on each alternative investment vehicle at least annually with the State Treasurer. The disclosure must include a list of specified information, including the fees and expenses incurred, and compensation for the alternative investment manager's named executive officers. Applies to all new, amended, renewed or extended contracts beginning January 1, 2019. Retroactive to January 1, 2019.

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Salman

*Current Action: 1/29 referred to House Government and to House Public Safety*

Numerous changes relating to public retirement systems. The Public Safety Personnel Retirement System (PSPRS) Board is required to establish a deferred compensation plan in which a PSPRS member may voluntarily participate, and plan provisions are specified. An active member of the Elected Officials' Defined Contribution Retirement System (EODCRS) or Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP) who volunteers or is ordered to perform military service is permitted to receive years of service for up to 60 months of military service as provided by federal law. The member's employer is required to make employer contributions and the member is required to make member contributions. Provides a process for paying contributions and crediting service. For deaths occurring from and after January 1, 2014 for the EODCRS or from and after July 1, 2017 for the PSPDCRP, in the case of a member who dies while performing qualified military service, the survivors of the member are entitled to any benefits, other than benefit accruals relating to the period of qualified military service, provided under the EODCRS or PSPDCRP as though the member resumed and then terminated employment on account of death. The provisions relating to defined contribution retirement plans are retroactive to the dates these death benefits are valid. Credited service provisions for military service members of the Arizona State Retirement System and PSPRS are extended to a member who served in any military reserve unit of any branch of the U.S. Armed Forces. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS, EOCERS, PSPDCRP

First sponsor: Rep. Blackman

*Current Action: 3/26 signed by the Governor, Chapter 36, Laws 2019; 3/20 Senate COW approved, passed Senate 29-0, ready for governor; 3/19 from Senate Rules okay; Hearing: 3/18 at 1:00 PM, Caucus Rm. 1; 3/14 from Senate Finance do pass; Hearing: 3/13 at 2:00 PM, Senate Rm. 1; 3/4 referred to Senate Finance; 2/27 passed House 59-0, ready for Senate; 2/18 to House consent calendar, from House Rules okay; 2/7 from House Government do pass; 2/7 House Government do pass, report awaited; Hearing: 2/7 at 9:00 AM, House Rm. 1; 1/30 referred to House Government*

In each of FY2019-20 through FY2042-43, \$3 million is appropriated from the general fund to the Department of Administration for distribution to with a population of less than 350,000 persons to supplement the normal cost of the Elected Officials' Retirement Plan, plus an amount to amortize the unfunded accrued liability of EORP. The counties may use these monies only for required employer contributions to EORP.

Affected Plans/Statutes: EORP

First sponsor: Rep. Thorpe

*Current Action: 3/19 FAILED to pass House 17-42; 3/14 House COW approved; 3/6 from House Rules okay; 2/14 from House Appropriations do pass; 2/13 House Appropriations do pass, report awaited; Hearing: 2/13 at 2:00 PM, House Room 1; 2/7 from House Government do pass; 2/7 House Government do pass, report awaited; Hearing: 2/7 at 9:00 AM, House Rm. 1; 1/30 referred to House Government and House Appropriations*

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). Retroactive to July 20, 2011, an active elected official who became a member of EORP before January 1, 2012, or an active member who became a member of PSPRS or CORP before January 1, 2012, is permitted to redeem any amount of eligible prior service without having to have accrued any minimum amount of credited service in the plan. Retroactive to July 1, 2017, for PSPRS or CORP members enrolled before July 1, 2017, the discount rate is the assumed rate of return that is prescribed by the PSPRS Board. By June 30, 2019, the PSPRS Board is authorized to choose to require interest to be paid on monies returned to members of a retirement plan or system under the jurisdiction of the board for the period of time between the transaction until a date to be determined by the PSPRS Board, but not later than the effective date of this legislation. Emergency clause. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS, CORP and EORP

First sponsor: Sen. Livingston

*Current Action: 4/1 signed by the Governor, Chapter 38, Laws 2019; 3/27 passed House 58-2, ready for the Governor; 3/18 from House Rules okay, to House consent calendar; 3/7 from House Government do pass; Hearing: 3/7 at 9:00 AM, House Rm. 1; 2/26 referred to House Government; 2/7 passed Senate 30-0, ready for House; 2/4 to Senate consent calendar, from Senate Rules okay; Hearing: 2/4 at 1:00 PM, Caucus Rom. 1; 1/31 from Senate Finance do pass; 1/30 Senate Finance do pass, report awaited; Hearing: 1/30 at 2:00 PM, Senate Rm. 109; 1/23 referred to Senate Finance*

A municipality that maintains a fire fighters' relief and pension fund for past and/or present volunteer and/or part-time firefighters, is permitted to elect to transfer excess monies from the fund to the Public Safety Personnel Retirement System (PSPRS) to be applied to any past or present unfunded liability. Before transferring any monies to the PSPRS, the municipality is required to determine by actuarial procedures the amount necessary to fully fund any benefits accrued for part-time or volunteer firefighters as of the date of the proposed transfer. AS SIGNED BY GOVERNOR.

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Pratt

*Current Action: 5/7 signed by the Governor, Chapter 186, Laws 2019; 4/30 passed house 51-8, ready for Governor; 4/9 from House Rules okay; 4/8 to House consent calendar; 3/21 from House Government do pass; 3/14 House Government held; 3/5 referred to House Government; 2/14 passed Senate 29-0, ready for House; 2/12 from Senate Rules okay; 2/11 to Senate consent calendar 2/7 from Senate Finance do pass; 2/6 Senate Finance do pass, report awaited; 1/28 referred to Senate Finance*

An Arizona State Retirement System (ASRS) employer is not required to pay contributions at an alternate contribution rate on behalf of a retired member that returns to work with the employer in a position that is currently filled by an employee who is an active ASRS member and for which the employer is currently required to pay and is paying contributions on behalf of the active member in that same position. An ASRS employer is permitted to pay contributions at an alternate contribution rate for a retired member who meets the requirements for an exemption. For contributions made beginning July 1, 2019, if ASRS and the employer determine that the "alternative" contribution rate does not apply to a member for whom the employer has paid contributions at the alternate contribution rate, the employer is permitted to request an employer credit, not including interest, for those contributions within 90 days after the end of the fiscal year in which the contributions were paid. If ASRS determines that an employer credit is not feasible, ASRS is required to issue a refund to an employer in a form determined by ASRS. For the purpose of the Elected Officials' Retirement Plan, any pension payments received by a member, who retired on or after July 1, 2009, while holding the same office from which the member retired within one full term after the date of retirement are considered overpayments and are subject to repayment up to the maximum of only the amount received during that term. For the purpose of the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP), any pension payments received by the retired member who retired on or after July 1, 2009 during a period of reemployment are considered overpayments, with some exceptions. If the PSPRS Board determines that the retired member's reemployment during the 12-month period and the failure of the employer or local board to suspend the member's pension were not intentional, the pension payments received by the retired member after reemployment are subject to repayment up to only the amount received between the date of the member's reemployment and the expiration of the 12-month period. If a retired PSPRS or CORP member who retired on or after July 1, 2009 and who is reemployed terminates employment, the retired member may be subsequently reemployed with the same employer and resume receiving pension payments after a period of 12 months, less the period of time the member was not reemployed with the same employer after retirement, if at least 60 days of the 12 months are consecutive. AS PASSED HOUSE.

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Sen. Livingston

***Current Action: 6/7 signed by the Governor, chapter number awaited; 5/27 House COW approved with amendment [#4831](#) and floor amendment [#5160](#), passed House 58-1, ready for Senate action on House amendments, Senate concurred in House amendments and passed on final reading 28-0, ready for Governor; 4/3 stricken from House COW consent calendar by Friese; 4/3 from House Rules okay; 4/1 to House COW consent calendar; 3/21 from House Government with amendment [#4831](#); 3/12 referred to House Government; 3/6 passed Senate 30-0, ready for House; 3/5 Senate COW approved with amendment [#4356](#) (short title change); 2/26 from Senate Rules okay; 2/25 from Senate Finance with amendment [#4356](#); 2/20 Senate Finance amended, report awaited; 2/20 withdrawn from Senate Appropriations; 1/28 referred to Senate Finance, Appropriations***

**S1293****APPROP; EORP CONTRIBUTIONS; COUNTIES**

In each of FY2019-20 through FY2042-43, \$3 million is appropriated from the general fund to the Department of Administration for distribution to with a population of less than 350,000 persons to supplement the normal cost of the Elected Officials' Retirement Plan, plus an amount to amortize the unfunded accrued liability of EORP. The counties may use these monies only for required employer contributions to EORP.

Affected Plans/Statutes: EORP

First sponsor: Sen. Gowan

***Current Action: 4/3 from House Appropriations do pass; Hearing: 4/3 at 8:00 AM, House Rm. 1; 3/21 from House Government do pass; Hearing: 3/21 at 9:00 AM, House Rm. 1; 3/12 referred to House Government, Appropriations; 2/21 passed Senate 28-2, ready for House; 2/19 from Senate Rules okay; 2/18 to Senate consent calendar; 2/13 from Senate Appropriations do pass; 2/12 Senate Appropriations do pass, report awaited; 1/30 referred to Senate Appropriations***

**S1452****PSPRS; NORMAL RETIREMENT; AGE**

For an employee who becomes a member of the Public Safety Personnel Retirement System on or after July 1, 2017, the "normal retirement date" is changed to the first day of the calendar month immediately following the employee's completion of 15 years of credited service if the employee is at least 54 years of age, reduced from 55. Retroactive to July 1, 2017.

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Rios

***Current Action: 2/5 referred to Senate Finance***