

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
2021 LEGISLATIVE SESSION**

(55th Legislature, 1st Regular Session)  
**(adjourned June 30, 2021)**

**ENACTED BILLS ONLY**

**Bills become law on September 9, 2021  
(unless stated otherwise)**

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

**HB2059 RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK**

In the computation of average monthly benefit compensation for the Public Safety Personnel Retirement System, a period of nonpaid or partially paid industrial leave must be considered based on the compensation the employee would have received in the employee's job classification if the employee was not on industrial leave. Payment of benefits to a Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or Elected Officials' Retirement Plan member are required to commence no later than April 1 of the calendar year following the later of the date the member terminates employment or the calendar year in which the member attains 72 years of age, increased from 70.5 years of age. AS SIGNED BY GOVERNOR.

**Sponsor: Rep. Kavanagh**  
**Signed by the Governor February 18, 2021. Chapter 23, Laws 2021.**

**HB2381 PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION**

Various changes to statutes governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for membership and disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel, and requirements and prohibitions for the legal counsel are specified. PSPRS and CORP local board members are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2022. AS SIGNED BY GOVERNOR

**Sponsor: Rep. Blackman**  
**Signed by the Governor February 24, 2021. Chapter 34, Laws 2021.**

HB2700 COUNTY OFFICERS; SALARIES; INCREASE

Beginning January 1, 2025, the annual salaries of county elected officers are increased by \$20,000 each. Beginning January 1, 2023, the annual salary of the clerk of the superior court is increased by \$20,000. AS SIGNED BY GOVERNOR.

**Sponsor: Rep. Kavanagh**  
**Signed by the Governor May 5, 2021. Chapter 326, Laws 2021.**

SB1045 DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY

Retired members of the Public Safety Personnel Defined Contribution Retirement System (PSPDCRS) are no longer required to pay the premium for coverage in the group health and accident coverage and are no longer excluded from eligibility for benefits under the health insurance premium assistance program for members with disabilities. The accidental disability pension for a member of the Public Safety Personnel Retirement System (PSPRS) must be at least 50 percent of the member's average monthly benefit compensation. The PSPRS Board is required to establish and administer a group health benefits plan for retired participants who elect to participate. For 90 days after the effective date of this legislation, existing PSPDCRS participants must have an opportunity to opt in to the group health benefits plan through an irrevocable election to pay the required costs through payroll deduction. Each participant in the group health benefits plan and the participant's employer are required to pay an equal amount for costs, as actuarially determined, for the plan. Other than provisions relating to accidental disability pension, this legislation becomes effective July 1, 2022. AS SIGNED BY GOVERNOR

**Sponsor: Sen. Livingston**  
**Signed by the Governor May 5, 2021. Chapter 330, Laws 2021.**

SB1046 MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS

For the purpose of Public Safety Personnel Retirement System (PSPRS) rollover distributions, the definition of "eligible retirement plan" is expanded to include a Roth individual retirement account that satisfies the requirements of section 408A of the federal Internal Revenue Code. A PSPRS member or the member's surviving spouse who is entitled to receive an eligible rollover distribution is authorized to elect to directly roll over all or part of that distribution to an eligible retirement plan, and a member's beneficiary other than the spouse is authorized, on the death of the member, to elect to directly roll over all or part of an eligible rollover distribution from the system. Requirements for eligible rollover distributions are specified. Retroactive to January 1, 2020. AS SIGNED BY GOVERNOR.

**Sponsor: Sen Livingston**  
**Signed by the Governor March 24, 2021. Chapter 120, Laws 2021.**

**SB1298**      **FIRE DISTRICTS; PENSION LIABILITY; FINANCING**

A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause. AS SIGNED BY GOVERNOR.

**Sponsor: Sen. Shope**

**Signed by the Governor April 16, 2021. Chapter 241, Laws 2021.**

**SB1396**      **CORP; SURVIVOR BENEFITS**

The amount of a surviving spouse's pension from the Corrections Officer Retirement Plan is 40 percent of the deceased member's average monthly salary or 4/5 of what the deceased member's pension would have been on the date of death had the member been retired, whichever is greater. Previously, the surviving spouse's pension was 40 percent of the deceased member's average monthly salary. AS SIGNED BY GOVERNOR.

**Sponsor: Sen. Borrelli**

**Signed by the Governor April 16, 2021. Chapter 249, Laws 2021.**

**SB1649**      **PSPRS; INVESTMENT REPORTING**

The Public Safety Personnel Retirement System (PSPRS) Board of Trustees is required to issue a request for proposals every five years for an external auditor, and to develop a policy regarding routine “stress testing” (defined) of the retirement systems and plans administered by the Board at the employer level and the system level. The Board is required to annually review and adopt a pension funding policy for each defined benefit plan and system administered by the Board that outlines the strategy to achieve financial solvency. By June 30 of each year, the Board is required to submit to the Governor and the Legislature a financial report that includes a list of specified information, and to post the report on the PSPRS website. Expands the information that the Board is required to include in the PSPRS annual report to the Governor and the Legislature to include an estimate of the aggregate fees paid for alternative investments, in addition to private equity investments, including carried interest. The Senate President and Speaker of the House of Representatives are each required to appoint one member to the PSPRS Advisory Committee who is either a legislator or a legislative staff member. Also, conditioned on the enactment of H2381, a PSPRS or Corrections Officer Retirement Plan local board’s independent legal counsel is prohibited from representing a PSPRS member before any local board or any judicial appeal of a local board decision. AS SIGNED BY GOVERNOR

**Sponsor: Sen. Livingston**

**Signed by the Governor April 16, 2021. Chapter 251, Laws 2021.**