

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
2022 PROPOSED LEGISLATION**

(55th Legislature, 2nd Regular Session)

Updated: July 8, 2022

H2035 APPROPRIATIONS; PSPRS; CORP; UNFUNDED LIABILITY

Makes a supplemental appropriation from the general fund in FY2021-22 of a total of \$680.33 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in specified PSPRS and Corrections Officer Retirement Plan (CORP) group employer accounts for specified state employees to reduce the unfunded accrued liability. Makes a supplemental appropriation from the general fund in FY2021-22 of \$421.86 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability. Makes a supplemental appropriation from the general fund in FY2021-22 of \$474.58 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Arizona Department of Corrections Corrections Officer Retirement Plan group to reduce the unfunded accrued liability. The PSPRS Board is required to account for these appropriations in the June 30, 2022 actuarial valuation of the PSPRS groups and CORP groups listed, and account for these appropriations when calculating the employee contribution rates and employer contribution rates during FY2023-24.

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Rep. Cook

Current Action: 3/9 from Senate Appropriations do pass; 3/8 Senate Appropriations do pass, report awaited; Hearing: Senate Appropriations, 3/8 at 2:00 PM, Senate Rm. 109; 3/1 referred to Senate Appropriations; 2/24 passed House 39-20, ready for Senate; 2/24 House COW approved with floor amendment [#4472](#); 2/22 from House Rules okay; Hearing: House Rules, 2/22 at 8:00 AM, House Rm. 4; 1/20 from House Appropriations do pass; 1/19 House Appropriations do pass, report awaited; 1/13 referred to House Appropriations

H2063 PSPRS; CORP; REEMPLOYMENT; TIME PERIOD

If a retired member of the Public Safety Personnel Retirement System or the Corrections Officer Retirement Plan becomes reemployed in any capacity by the employer from which the member retired before 6 months after the date of retirement, reduced from 12 months, the system cannot make pension payments to the retired member during the period of reemployment.

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Rep. Blackman

Current Action: 3/23 signed by Governor, Chapter 24, Laws 2022; 3/16 passed Senate 30-0, ready for Governor; 3/8 from Senate Rules okay; Hearing: Senate Rules, 3/7 at 1:00 PM, Caucus Rm. 1; 3/2 from Senate Finance do pass; 3/2 Senate Finance do pass, report awaited; Hearing: Senate Finance, 3/2 at 10:00 AM, Senate Rm. 109; 2/17 referred to Senate Finance; 2/3 passed House 56-2, ready for Senate; Hearing: House Rules, 1/31 at 1:00 PM, House Rm. 4; 1/26 from House Government & Elections do pass; 1/26 House Government & Elections do pass, report awaited; Hearing: 1/26 at 9:00 AM, House Rm. 1; 1/18 referred to House Government & Elections

H2337**DEFERRED RETIREMENT OPTIONAL PLAN; REINSTATEMENT**

Members of the Public Safety Personnel Retirement System are no longer required to become members of PSPRS before January 1, 2012 in order to participate in the deferred retirement option plan (DROP). For a member who became a PSPRS member before January 1, 2012, the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For a member who became a PSPRS member on or after January 1, 2012, the maximum period of participation in DROP is 60 consecutive months. For the additional 24 months for those who became members before January 1, 2012, and for all 60 months for members who became a member on or after January 1, 2012, the member's DROP participation account must be credited at a rate equal to the actual rate of return, smoothed over a period of seven years, to be not less than zero percent or not more than nine percent. AS PASSED HOUSE

Affected Plans/Statutes: PSPRS

First sponsor: Rep. Payne

Current Action: 3/23 FAILED Senate Finance 4-4; Hearing: Senate Finance, 3/23 at 10:00 AM, Senate Rm. 109; 2/21 referred to Senate Finance; 2/17 passed House 31-28, ready for Senate; 2/17 House COW approved with amendment #4147; 2/15 from House Rules okay; 2/10 from House Government & Elections with amendment #4147; 2/9 House Government & Elections amended, report awaited; Hearing: House Government & Elections, 2/9 at 9:00 AM, House Rm. 1; 1/20 referred to House Government & Elections

S1002**EORP; APPROP; RETIREMENT**

An elected official who is a member of the Elected Officials' Retirement Plan (EORP) and who gives an irrevocable notice of resignation on or before June 30, 2022 with a date of resignation and retirement of no later than September 30, 2022 is allowed to receive pension payments for normal retirement if the member is either 55 years of age with 10 years of credited service or is 59.5 years of age with 5 years of credited service. A member who retires under these provisions and who subsequently becomes an elected official is prohibited from making contributions to the EORP plan, accruing credited service under the plan, and participating in the EORP defined contribution system. Appropriates \$60 million from the general fund in FY2022-23 to the EORP Fund for the EORP unfunded accrued liability. Emergency clause. AS PASSED SENATE

Affected Plans/Statutes: EORP

First sponsor: Sen. Leach

Current Action: 6/28 signed by Governor, Chapter 323, Laws 2022; 6/23 Senate concurred in House amendments and passed on final reading 23-3, ready for Governor; 6/22 House COW approved with floor amendment #5050. Passed House 42-14, returned to Senate for concurrence in House amendments; 6/21 from House Rules okay; 3/29 from House Appropriations do pass; 3/28 House Appropriations do pass, report awaited; Hearing: House Appropriations, 3/28 at 9:30 AM, House Rm. 1; 3/24 from House Government & Elections do pass; 3/23 House Government & Elections do pass, report awaited; Hearing: House Government & Elections, 3/23 at 9:00 AM, House Rm. 1; 3/14 referred to House Government & Elections; 3/9 Senate COW approved with amendment #4400 and floor amendment #4705, passed Senate 23-5, ready for House; 3/2 retained on Senate COW calendar; 2/24 retained on Senate COW calendar; 2/23 from Senate Appropriations with amendment #4400, from Senate Rules okay; 2/22 Senate Appropriations amended, report awaited; Hearing: Senate Rules, 2/23 at 9:00 AM, Caucus Rm. 1; Hearing: Senate Appropriations, 2/22 at 9:00 AM, Senate Rm. 109; 2/17 further referred to Senate Appropriations; 1/10 referred to Senate Rules

S1081**PSPRS; ADVISORY COMMITTEE**

The one member each that the President of the Senate and the Speaker of the House of Representatives appoint to the Public Safety Personnel Retirement System Advisory Committee are no longer required to be a legislator or a legislative staff member. AS PASSED SENATE

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Livingston

Current Action: 3/25 signed by Governor, Chapter 72, Laws 2022; 3/22 Senate concurred in House amendments and passed on final reading 28-1, ready for Governor; 3/17 House COW approved with floor amendment [#4780](#), passed 56-2, returned to Senate for concurrence in House Amendments; 3/14 from House Rules okay; 3/9 from House Government & Elections do pass; 3/9 House Government & Elections do pass, report awaited; 3/1 referred to House Government & Elections; 2/23 passed Senate 29-0, ready for House; 2/16 Senate COW approved with amendment [#4134](#); 2/15 from Senate Rules okay; 2/10 from Senate Finance with amendment [#4134](#); 2/9 Senate Finance amended; report awaited; 1/10 referred to Senate Finance

S1084**PUBLIC RETIREMENT SYSTEMS; ADMINISTRATION**

Numerous changes to statutes relating to public retirement systems. Employers required to participate in the Public Safety Cancer Insurance Policy Program are required to pay the premiums for the cost of the program and include the premium amount as wages of the firefighters and peace officers participating in the program subject to federal and state income and employment taxes. For the purpose of the Elected Officials' Retirement Plan (EORP), the Corrections Officer Retirement Plan (CORP), and the Public Safety Personnel Retirement System (PSPRS), the definition of "eligible retirement plan" is expanded to include, for distributions made after December 18, 2015, a simple retirement account that satisfies the requirements of section 408(p) of the federal Internal Revenue Code. For EORP and CORP, the definition is also expanded to include, effective January 1, 2008, a ROTH individual retirement account that satisfies the requirements of section 408A of the federal Internal Revenue Code. Also repeals and reestablishes changes to reporting deadlines that were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but that were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.

Affected Plans/Statutes: PSPRS, CORP and EORP

First sponsor: Sen. Livingston

Current Action: 3/25 signed by Governor, Chapter 73, Laws 2022; 3/22 Senate concurred in House amendments and passed on final reading 29-0, ready for Governor; 3/17 House COW approved with floor amendment [#4788](#), passed House 58-0, returned to Senate for concurrence in House amendments; 3/14 from House Rules okay; Hearing: House Rules, 3/7 at 1:00 PM, House Rm. 4; 3/2 from House Government & Elections with amendment [#4597](#); 3/2 House Government & Elections amended, report awaited; Hearing: House Government & Elections, 3/2 at 9:00 AM, House Rm. 1; 2/23 referred to House Government & Elections; 2/9 passed Senate 29-0, ready for House; 2/8 Senate COW approved; 1/25 from Senate rules okay; 1/19 Senate Finance do pass; 1/19 Senate Finance do pass, report awaited; 1/10 referred to Senate Finance

S1085**PSPRS; FUNDED RATIO; ASSET TRANSFERS**

Eliminates the requirement that the employer contribution rate for the Public Safety Personnel Retirement System be at least eight percent of compensation. Modifies the amount the PSPRS Board is required to account for in a stabilization reserve account. If an employer's funded ratio falls below 100 percent funded, the amount of the member's contributions above 7.65 percent are required to accumulate and not be used to reduce the employer's contribution rate until the employer's funded ratio returns to 100 percent funded. Establishes a list of requirements that must be met before the PSPRS Board may suspend the normal cost contributions. AS PASSED SENATE

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Livingston

Current Action: 5/6 signed by Governor, Chapter 221, Laws 2022; 5/2 passed House 56-0, ready for Governor; 4/12 from House Rules okay; Hearing: House Rules, 4/11 at 1:00, House Rm. 4; Hearing: House Rules, 3/21 at 1:00 PM, House Rm. 4; 3/2 from House Government & Elections do pass; 3/2 House Government & Elections do pass, report awaited; Hearing: House Government & Elections, 3/2 at 9:00 AM, House Rm. 1; 2/23 referred to House Government & Elections; 1/27 passed Senate 27-0, ready for House; 1/25 from Senate Rules okay; 1/19 Senate Finance do pass; 1/19 Senate Finance do pass, report awaited; 1/10 referred to Senate Finance

S1086**APPROPRIATION; UNFUNDED LIABILITY; PSPRS; CORP**

Makes a supplemental appropriation from the general fund in FY2021-22 of a total of \$87.7 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in specified PSPRS and Corrections Officer Retirement Plan (CORP) group employer accounts for specified state employees. The PSPRS Board is required to account for these appropriations in the June 30, 2022 actuarial valuation of the PSPRS groups and CORP groups listed, and account for these appropriations when calculating the employee contribution rates and employer contribution rates during FY2023-24. AS PASSED SENATE

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Sen. Livingston

Current Action: 6/28 signed by Governor, Chapter 325, Laws 2022; 6/22 House COW approved. Passed House 51-6, ready for Governor; 6/21 from House Rules okay; 3/29 from House Appropriations do pass; 3/28 House Appropriations do pass, report awaited; Hearing: House Appropriations, 3/28 at 9:30 AM, House Rm. 1; 3/9 from House Government & Elections do pass; 3/9 House Government & Elections do pass, report awaited; Hearing: House Government & Elections, 3/9 at 9:00 AM, House Rm. 1; 2/23 referred to House Government & Elections, House Appropriations; 2/7 passed Senate 25-2, ready for House; 2/3 Senate COW approved with amendment [#4027](#); 2/1 from Senate Rules okay; Hearing: Senate Rules, 1/31 at 1:00 PM, Caucus Rm. 1; 1/27 from Senate Appropriations with amendment [#4027](#); 1/25 Senate Appropriations amended, report awaited; Hearing: 1/25 at 2:00 PM, Senate Rm. 109; 1/10 referred to Senate Appropriations

Makes a supplemental appropriation from the general fund in FY2021-22 of \$420.56 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety (DPS) Corrections Officer Retirement Plan (CORP) group to reduce the unfunded accrued liability. Makes a supplemental appropriation from the general fund in FY2021-22 of \$474.66 million to the PSPRS to be deposited in the employer account of the Arizona Department of Corrections (ADC) Corrections Officer Retirement Plan group to reduce the unfunded accrued liability. Makes a supplemental appropriation of \$15 million from the Game and Fish Fund and \$82.24 million from the general fund in FY2021-22 to the PSPRS to be deposited in the employer account of the Arizona Game and Fish Department (AGFD) PSPRS group. Makes a supplemental appropriation from the general fund in FY2021-22 of \$73.94 million to the PSPRS to be deposited in the CORP employer account of the Department of Juvenile Corrections. The PSPRS Board is required to account for these appropriations in the June 30, 2022 actuarial valuation of the DPS PSPRS group and ADC CORP group, and account for these appropriations when calculating the employee contribution rates and employer contribution rates during FY2023-24. AS PASSED SENATE

Affected Plans/Statutes: PSPRS and CORP

First sponsor: Sen. Livingston

Current Action: 3/29 from House Appropriations do pass; 3/28 House Appropriations do pass, report awaited; Hearing: House Appropriations, 3/28 at 9:30 AM, House Rm. 1; 3/9 from House Government & Elections do pass; 3/9 House Government & Elections do pass, report awaited; Hearing: House Government & Elections, 3/9 at 9:00 AM, House Rm. 1; 2/23 referred to House Government & Elections, House Appropriations; 2/8 passed Senate 25-2, ready for House; 2/3 Senate COW approved with amendment #4023; 2/1 from Senate Rules okay; Hearing: Senate Rules, 1/31 at 1:00 PM, Caucus Rm. 1; 1/27 from Senate Appropriations with amendment #4023; 1/25 Senate Appropriations amended, report awaited; Hearing: 1/25 at 2:00 PM, Senate Rm. 109; 1/10 referred to Senate Appropriations

For members of the Public Safety Personnel Retirement System (PSPRS) in the deferred retirement option plan (DROP), the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For the 24 months after the first 60 months, a member's DROP account is credited monthly with an amount that represents the interest on the amount of the normal retirement benefit calculation at a rate equal to the actual rate of return, smoothed over a period of seven years, to be not less than zero percent and not more than nine percent. By December 31, 2022, the PSPRS Board of Trustees is required to report to the Governor and the Legislature regarding measures that can improve retention for members of PSPRS who were hired on or after January 1, 2012 and before July 1, 2017, and measures that can improve retention and recruitment for members who were hired on or after July 1, 2017. AS PASSED SENATE

Affected Plans/Statutes: PSPRS

First sponsor: Sen. Livingston

Current Action: 7/6 signed by Governor, Chapter 351, Laws 2022; 6/24 Senate concurred in House amendments and passed on final reading 21-4, ready for Governor; 6/23 House COW approved with floor amendment #5134, Passed House 45-6, returned to Senate for concurrence in House amendments; 6/23 from House Rules okay; Hearing: House Rules, 6/23, House Rm. 4; Hearing: House Rules, 6/22, House Rm. 4; 3/24 from House Government & Elections with amendment #4864; 3/23 House Government & Elections amended, report awaited; Hearing: House Government & Elections, 3/23 at 9:00 AM, House Rm. 1; 3/14 referred to House Government & Elections; 3/2 passed Senate 21-6, ready for House; 2/24 Senate COW approved with amendment #4135; 2/15 from Senate Rules okay; 2/10 from Senate Finance with amendment #4135; Hearing: Senate Finance, 2/9 at 9:00 AM, Senate Rm. 109; 1/24 referred to Senate Finance