



PSPRS Legislative Update

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ANNUAL EMPLOYER-LOCAL BOARD CONFERENCE

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2023 Legislative Session Overview

Today is the 52nd day of session

1,625 bills have been introduced

- 14 bills have been passed
- 14 bills have been vetoed
 - The legislature sent the governor budget continuation bills on February 15, Governor Hobbs vetoed the package on February 16
 - Governor Hobbs also vetoed a measure to eliminate the tax on residential rentals that a number of cities impose

The deadline to hear House bills in the House and Senate bills in the Senate was February 17

- Appropriations committees are the exception and had an additional week

2023 PSPRS Legislative Priorities



- **SB1173: public retirement systems; plan election (Sponsor Sen. JD Mesnard)**
- **HB2015: retirement plans; plan election; rehire (Sponsor Rep. David Livingston)**
- **HB2028: PSPRS; contribution rates (Sponsor Rep. David Livingston)**

SB1173

Public retirement systems; plan election

Senator
JD Mesnard

This is our annual administrative bill. This bill includes five technical items:

- 1. Section 115 trust fix:** GASB does not allow for the assets in a Section 125 trust to be counted towards the assets in an underlying plan and therefore that language will be struck.
- 2. Return to Work:** There was one section of statute that didn't reference the RTW statutes but instead had 12 months written. That statute is updated with the current six-month language.
- 3. Tier 3 plan selection:** For Tier 3 members of CORP who were not previously allowed to make a plan selection that later is in a position that would have allowed for a plan selection, they will be able to choose between the DB or DC plan.

SB1173 (cont.)

Public retirement systems; plan election

Senator
JD Mesnard

4. **Subsequent 90-day window:** In Tier 3, an employee has 90 days to make a plan selection when initially hired. However, if they change employers, that 90-day window also applies. In the future, an employee who changes employers or is rehired will start to accumulate time on their date of employment.
5. **Late contribution interest calculation:** In Tier 3, the late employer contribution interest penalty calculation is compounded daily. In other plan statutes, the late contribution interest is compounded annually. The statute will be changed to conform with the other plans.
 - This bill passed the Senate 29-0 and is now ready for action in the House.

HB2015

Retirement plans; plan election; rehire

**Representative
David Livingston**

- Allows for a Tier 3 member of PSPRS or CORP who changes employers or returns to work after a bona fide termination of employment of no less than six months, and without pre-employment agreement, to make a new plan selection at the time of their new employment.
- If a member changes from a DC plan to a DB plan, their years of service in the DC plan do not count as years of service in the DB plan unless they do a service purchase and purchase time at the present value of the benefit.
- There is up to 90 days to make a new plan selection and if there is no selection made, they will revert to the plan previously enrolled in.
 - This passed out of House 60-0 and has been transmitted to the Senate for their consideration.

HB2028

PSPRS; contribution rates

**Representative
David Livingston**

- Moves the Tier 1 “gap” and Tier 2 member contribution rate from the “up to 11.65%” to 7.65% prospectively, beginning July 1, 2023.
- Also on July 1, 2023, the excess employee contribution rates that have been accumulated to this point can be taken into consideration when calculating the employer contribution rate.
 - This bill passed out of the House Ways & Means committee unanimously and is awaiting to be considered by the full House of Representatives

Other areas of interest this legislative session

Increased investment towards unfunded liability

Paying down the state's unfunded liability continues to be a priority of this legislative session

HB2027 Appropriation; Unfunded Liability; CORP (Rep. David Cook)

- Makes a supplemental appropriation of \$428.8 million from the general fund in FY2022-23 to PSPRS to be deposited in the Administrative Office of the Courts Corrections Officer Retirement Plan (CORP) group employer account to pay the unfunded accrued liability. Employers are required to repay their liability back to the state.
 - This bill passed out of the House 40-20 and has been transmitted to the Senate for their consideration.

Other areas of interest this legislative session (cont.)

Increased investment towards unfunded liability

HB2430 EORP; appropriations; repayment

(Rep. David Livingston)

- Makes a supplemental appropriation of \$609 million from the general fund in FY2022-23 to EORP to pay the unfunded accrued liability for EORP.
- Beginning July 1, 2023 through June 30, 2033, a specified list of counties and municipalities are required to annually repay the state their portion of the EORP for unfunded accrued liability.
 - This bill passed out of the House 53-7. The bill has been transmitted to the Senate for their consideration.

Other areas of interest this legislative session

Limits and guidelines on government investments and contracts, continued

(Environmental, Social, and
Governance; Proxy Voting;
Guns; Abortion)

SB1096: Firearms; contracts; prohibited practices
(Sen. Frank Carroll)

SB1138: Banks; discrimination prohibition; social criteria
(Sen. Jake Hoffman)

SB1139: Government investments; products; fiduciaries; plans
(Sen. Jake Hoffman)

SB1146: Divestment; K-12; abortion; explicit material
(Sen. Jake Hoffman)

SB1500: Government investments; fiduciaries; pecuniary benefit
(Sen. Frank Carroll)

SB1611: Public entities; contracts; prohibition
(Sen. Anthony Kern)

SB1612: Investments; financial institutions; state treasurer
(Sen. Anthony Kern)

HB2156: Proxy voting; governmental entities; prohibition
(Sen. David Livingston)

HB2471: Government investments; plans; fiduciaries; products
(Rep. Steve Montenegro)

HB2472: Social credit; use; prohibition
(Rep. Steve Montenegro)

Other areas of interest this legislative session

Open Meeting Law and Public Records

**HB2144: Open meetings; capacity; posting;
violation (Rep. Tim Dunn)**

**HB2808: Open meetings; capacity; posting
(Rep. Michael Carbone)**

**SB1020: Open meetings; capacity; posting
(Sen. John Kavanagh)**

**SB1270: Open meetings; capacity
(Sen. John Kavanagh)**



Questions, comments & discussion

LET'S TALK

What questions do you have?