Corrections Officer Retirement Plan

MEMBER HANDBOOK

March 2017
# Table of Contents

Introduction ................................................................................................................................ 1
  Purpose of this Handbook ...................................................................................................... 1
  Tier 1 and Tier 2 Members ..................................................................................................... 2
  Operating Structure of the CORP ........................................................................................... 2
  Online Resources for Members and Retirees......................................................................... 4
Section 1: Information for New and Active Contributing Members............................................. 6
  Membership Requirements .................................................................................................... 6
Section 2: Service Purchases and Transfers............................................................................. 8
  Service Purchases ............................................................................................................. .... 8
  Service Transfers ................................................................................................................... 9
Section 3: Pension Benefits..................................................................................................... 11
  Normal Pension .................................................................................................................... 11
  Disability Pension ................................................................................................................. 12
  Reverse Deferred Retirement Option Plan (Reverse DROP) ............................................... 14
Section 4: Planning for Retirement Checklist ........................................................................... 16
  Disability Benefits .............................................................................................................. 17
Section 5: Leaving Employment Prior to Retirement ................................................................ 19
  Refund of Contributions ........................................................................................................ 19
  Deferred Annuity .............................................................................................................. .... 20
Section 6: Additional Benefits .................................................................................................. 21
  Retirement System Health Insurance ................................................................................... 21
  Health Insurance Premium Subsidy ..................................................................................... 21
  Permanent Benefit Increase ................................................................................................ 22
  Permanent Benefit Increase (PBI) (if retired and qualifies on or before 7-1-2011)............... 22
  Permanent Benefit Increase (PBI) (if retired after 7-1-2011) ................................................ 22
  Survivor Benefits .................................................................................................................. 23
Section 7: Factors that May Affect Your Pension .................................................................... 25
  Returning to Work after Retirement ..................................................................................... 25
  Divorce ................................................................................................................................. 25
  Garnishments ...................................................................................................................... 25
Appendix A: Glossary .............................................................................................................. 26
Appendix B: Frequently Asked Questions ............................................................................... 31
  General Information about the CORP .................................................................................. 31
  Service Purchase ................................................................................................................ 32
  Retiree Health Insurance .................................................................................................... 33
  Return to Work .................................................................................................................. 35
Appendix C: Contact Information ............................................................................................. 36
  CORP Departments ........................................................................................................... 36
  State Retirement Insurance Providers ................................................................................. 37
Introduction

Purpose of this Handbook
This handbook was created to give members comprehensive information regarding membership in the Corrections Officer Retirement Plan (CORP). It includes what will be required of you as a member and the benefits and tools you will receive as a result. This handbook does not quote the official wording used in the Arizona Revised Statutes. If there are any differences or discrepancies, the official version of the Arizona Revised Statutes will prevail.

This handbook is divided into several sections including: Membership Benefits (active members and retirees), Planning For Retirement, Frequently Asked Questions, and a Glossary of terms you’ll encounter throughout this handbook. It is designed to provide an all-in-one reference for your benefits and requirements as a member, and help you through the process of applying for benefits. A description of each section follows.

New and Active Membership
This section provides details of the specific forms and documents needed to submit to your local board upon membership into the CORP, how your future retirement benefit is funded, and other applicable benefits, information, and tools that are available to you and your beneficiaries prior to retirement.

Service Purchases and Transfers
This section provides information on purchasing and transferring prior service to be applied to your retirement benefit.

Pension Benefits
This section provides details of the requirements and calculations used in determining your retirement benefit payment.

Applying for Benefits
This section provides details of the steps you'll be required to complete in order to retire, the documents needed, timeframes and deadlines to heed, and the benefits and tools available to you upon retirement.

Additional Benefits
This section includes information on the other benefits available to you as a member of the CORP, including: health insurance subsidy and survivor benefits.

Leaving Employment Prior to Retirement
This section provides information regarding termination of your CORP employment before retirement eligibility is met.
Factors that May Affect Your Pension
This section provides details on other factors that may affect your pension, such as post-retirement benefit increases, being involved in a divorce, and wage garnishments.

Appendix A: Glossary
This section provides definitions for terms commonly used by CORP and throughout this handbook.

Appendix B: Frequently Asked Questions
This section provides answers to some of our most frequently asked questions.

Appendix C: Contact Information
This section provides contact information for the various departments of CORP and how each department can help assist you.

Tier 1 and Tier 2 Members
Members are classified as either Tier 1 or Tier 2 members, based on membership date. Tier 1 members are those who became members of CORP prior to January 1, 2012. Tier 2 members are those who became members on or after January 1, 2012. The exception is if a member left a CORP covered position prior to January 1, 2012, and withdrew all of his or her contributions to the System (prior to January 1, 2012). In that case, the member would be classified as a Tier 2 member if hired into a new CORP covered position on or after January 1, 2012.

Throughout this handbook, you will see differences between the two groups broken out into a Tier 1 section and a Tier 2 section. If there is no differentiation, then the benefit, calculation, or requirement is the same for both groups.

Operating Structure of the CORP

Defined Benefit Plan
The Corrections Officer Retirement Plan (CORP) is a special retirement system created by the state legislature for certain full time correctional officers, probation officers, and dispatchers in the state of Arizona. The Plan provides a uniform, consistent, and equitable statewide retirement program to these CORP personnel. The Plan is designed to meet the special needs of personnel engaged in inmate contact.

The CORP is a governmental retirement plan qualified under 401 (a) of the Internal Revenue Code. It is a "defined benefit plan," which means that pensions are determined by a formula, versus the amount of money in the member’s account. In addition, the CORP is an “agent multiple-employer retirement plan,” which means that separate accounts are kept for each employer in the Plan and benefit payment costs are not "shared" by all employers in the Plan. Monies are pooled for investment purposes, but benefits and refunds are paid from each employer's separate account in the CORP.
The Board of Trustees is a seven member policy-making board that has statutory responsibility to invest the monies in the CORP, PSPRS (Public Safety Personnel Retirement System), and EORP (Elected Officials Retirement Plan) accounts, keeping records for each employee and employer in the Plan, and paying out benefits and refunds to members. The Board of Trustees employs an Administrator and administrative staff who are responsible for handling these functions. Although the Board of Trustees receives contributions from each employer and makes payments of benefits and refunds at the direction of the various local boards, the Board of Trustees acts as a "gatekeeper" to ensure that monies received and disbursed are in accordance with state law. The majority of day to day operations regarding CORP membership rests with the local board.

Composition
The Board of Trustees as established by ARS §38-848 consists of seven members who ensure proper administration of the System. All trustees serve five year terms and are appointed by the Governor. The Board is composed of the following:

- Two elected members from a local board to represent the employees
- One member appointed to represent this state as an employer of public safety personnel
- One member appointed to represent the cities as employers of public safety
- One member appointed to represent elected officials (county or state official, judge of the superior court, court of appeals, or supreme court)
- Two members of the public

Board of Trustees Meetings
The Board of Trustees meet monthly or as otherwise scheduled, to review the operating functions, investments, and other issues pertinent to the Public Safety Personnel System, the Corrections Officer Retirement Plan, and the Elected Officials Retirement Plan. These meetings are typically held on the fourth Wednesday of each month at 1:00 p.m. at the PSPRS Administrative Offices (3010 E. Camelback Road, Suite 200, Phoenix, AZ 85016). They are also broadcasted online. Twenty-four hours prior to the meeting, a registration link is posted on the PSPRS website. Click on the link, complete the short registration form, and you can listen to the meeting live online. Agendas, meeting materials, and prior meetings’ minutes are available to download from the PSPRS website (www.psprs.com). Local boards, members, retirees, and members of the public are welcome to attend in person or online. Those attending on site will have the opportunity to make comments during the “Call to the Public,” typically held at the end of each meeting.

The Local Board
The administration of the Plan and the responsibility for making the provisions of the Plan effective for each employer are vested in a local board that is created by each employer.
Responsibilities
The local board is vested with the authority to determine membership eligibility, eligibility and payment of benefits, including eligibility for receipt of disability payments in accordance with the provisions of the Plan.

Composition
The local board is a five member board composed of a chairperson, two appointed persons, and two CORP members who are elected by secret ballot election by all contributing members for that employer group.

Local Board Secretary
The local board appoints a local board secretary to handle all administrative functions for the local board. This may include completing and retaining the minutes of each local board meeting, ensuring all retirement packets are complete prior to submission to the CORP, and other administrative duties the local board deems necessary. The secretary also serves as the liaison for the local board to the contributing membership and the CORP Administrative Offices.

When you begin thinking about retirement, the first person you should contact is your local board secretary. He or she will be able to provide you with information to consider in your planning and will help you through the process when you are ready to retire.

Online Resources for Members and Retirees
There are many resources available to you as a member and a retiree on our website: http://www.psprs.com. You’ll find training presentations, legislative updates, forms for updating your information, and a special interactive “Members Only Portal.”

Corrections Officer Information
Our website contains a section devoted to corrections officers, which includes benefit payment schedules, recent legislation affecting the CORP, downloadable technical support “How To” guides and Power Point presentations, commonly used forms, and a directory of departments and contacts at the CORP Administrative Offices.
The Members Only Portal

The Members Only Portal provides you instant access to your contribution history (active members) and direct deposit notices (retirees). You are encouraged to register on the Members Only Portal online by clicking on the “Members Only Site” on the main page of the PSPRS website. Doing so will provide you with secure access to your personal account. You will be prompted to provide the following information: System (Corrections Officer), last name, email address, date of birth, Social Security number, and employer. From there, enter a unique username to log into your account, and a PIN will be emailed to the email address you used to register. Upon logging into the Members Only Portal using your username and PIN, you will be able to do the following:

- Select a password to use instead of your PIN when logging in (active members and retirees)
- View your contribution history (active members and retirees)
- Estimate your monthly retirement benefit (active members)
- View and download Direct Deposit statements (retirees)
- View and download 1099-Rs (retirees)
- Update personal data such as mailing address, withholding elections for federal and state taxes, direct deposit information (retirees)
- Calculate your monthly benefit based on different tax withholding elections (retirees)
Section 1: Information for New and Active Contributing Members

Membership Requirements
Becoming a member of the CORP has certain requirements. Some of the requirements of membership include the following:

Pre-Member Medical Evaluations
All new members, before being admitted to CORP, must submit to and complete a medical evaluation. The purpose of this evaluation is to screen for pre-existing conditions (which could affect your eligibility for a disability pension later). If you refuse to undergo the medical evaluation you will be unable to apply for any form of disability pension benefit, regardless of whether the present condition was pre-existing.

Contributions
The CORP pension fund is composed of employer contributions, employee contributions, and investment gains.

Contributing to CORP is mandatory upon membership. These contributions are automatically deducted from your paycheck by your employer. Employee contribution rates are set by state statute and are the same for all CORP members.

Because the CORP has a fiscal year that runs from July 1 to June 30 of the following calendar year, employee contribution rates are set using the same time period.

Employee contribution rates are as follows:

| Fiscal Year 2013 and forward* | 8.41% (Corrections Officers) | 7.96% (Dispatchers) |

*The rates could change in the future. The rates are set by Statute.

You can access your employee contribution record at any time by logging into your Members Only account.

Your employer is also required to make contributions to the CORP for your retirement benefit. Employer contribution rates are set annually, based on the employer group’s annual actuarial valuation.

Your normal retirement benefit is calculated using a set formula and is not dependent upon the amount of funds you and your employer have contributed during your period of employment. See “Pension Benefits” for more information on this.
If your employment ceases before you are eligible for a normal retirement benefit, you may apply to receive a refund of your employee contributions. See the section titled “Leaving Employment Prior to Retirement” for more information.

**Choosing a Beneficiary**

All CORP members, whether active, inactive, or retired, should have a designated beneficiary on file. Additionally, it is important to review those beneficiaries regularly and update information when necessary. A beneficiary is an individual, institution, trustee or estate which receives or may become eligible to receive benefits as a result of your death.

Some benefits, such as a survivor’s or child’s pension, automatically identify the beneficiary of the benefit. When there is no eligible survivor pension payable, the Plan looks to the identified beneficiaries on record.

Members must designate at least one primary beneficiary. More than one primary beneficiary may be designated, and, as such, in the event a death benefit is payable, equal shares will be distributed (unless otherwise directed).

Naming a contingent beneficiary is highly recommended. The contingent beneficiary would receive payable death benefits in the event the primary beneficiary predeceases the member. As with primary beneficiaries, multiple contingent beneficiaries may be designated.

It is important that you, the member, keep the CORP informed of any changes related to your beneficiaries, such as address changes, deaths, etc. Changes can be made anytime by completing the Beneficiary Designation Form (Form 8), which is available on the PSPRS website.

Should a death benefit become payable and a beneficiary has not been designated, the members’ nearest next of kin (as determined by the local board) will be awarded the benefit.
Section 2: Service Purchases and Transfers

Service Purchases
As a member of CORP, you have the option of purchasing or redeeming certain other service you have acquired to be applied to your CORP account. Currently, service must be purchased in a lump sum payment. You may purchase increments of your service, but each purchase must be paid for in full.

Service Purchase Types
As a contributing member of the CORP, you have the ability to purchase certain types of credited service. Purchasing service has a direct impact on your calculated retirement benefit amount. The CORP allows members to purchase the following types of service:

- Prior service within the same retirement system
- Active military service, earned prior to membership
- Out of state public service (time is limited to specific type of public service)
- Previously forfeited service
- Prior service from another Arizona retirement system or plan (ASRS, COPERS, TRS)
- Service with a CORP employer prior to joiner date

The table below details the requirements and stipulations for common service purchases:

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Service Required with the System</th>
<th>Maximum Service to Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior active military service</td>
<td>5 years</td>
<td>60 Months</td>
</tr>
<tr>
<td>Prior out of state governmental service</td>
<td>5 years</td>
<td>60 Months</td>
</tr>
<tr>
<td>Prior forfeited service within the same retirement Plan</td>
<td>N/A</td>
<td>All Previously forfeited service</td>
</tr>
<tr>
<td>Other Arizona state retirement system of Plan</td>
<td>N/A</td>
<td>All service</td>
</tr>
</tbody>
</table>

Service Purchase Procedure
Members who have eligible time to purchase need to complete an application. The type of service you are purchasing will determine the form. All services purchases are handled directly by the CORP active members department.
When the service purchase process is initiated, you will receive a quote on the cost to purchase the time requested. This quote will provide a date by which you must make the purchase, typically within 90 days. Afterwards, the quote will expire, and you will need to begin the process from the beginning.

Please note that a service purchase quote can be made in any increment of eligible time available to you.

**Service Purchase Cost**
The cost of credited service per year is your current annual salary multiplied by the Actuarial Present Value of the added benefit. Service purchase costs will vary by individual member based on how much time you are redeeming, how much credited service you have currently, your age and current salary, and how close you are to major retirement milestones (i.e., 20 years of credited service, 25 years of credited service, etc.).

Once you decide to make a service purchase, you will contact the PSPRS administrative office to make the payment or transfer funds.

**Service Purchase Payment Options**
Lump Sum Payment: The full cost of the purchase may be made in one out of pocket payment. Purchases are subject to IRC section 415(c) limits.

Rollovers: Certain funds may be transferred from one qualified plan to the CORP to complete a service purchase. Current eligible plans for service purchase rollovers include:

- 401(a) Qualified Defined Benefit Plan
- 401(a) Qualified Defined Contribution Plan (includes 401(k))
- 403(a) Qualified Annuity Plan
- 403(b) Tax Sheltered Annuity
- 408(a) Traditional IRA (includes SEP IRA)
- 408(b) Individual Retirement Annuity
- 457 Governmental Deferred Salary Plan

**Service Transfers**
If you terminate employment in a CORP-covered position and accept a position with the same employer or another employer in the System, your service will be automatically transferred. You must have left your contributions with the System from the previous employer.

In order to qualify, contributions must be left on account with the Plan.

*For example, if you worked for the Department of Corrections as a corrections officer (CORP position), terminated employment, and began working as a corrections officer (CORP) for Maricopa County, your service from the Department of Corrections would automatically be transferred.*
Types of Service

You also have the option to transfer credited time to the CORP, under certain conditions. The types of eligible transfers include:

- Transfer between CORP employers (i.e., PSPRS, EORP)
- Transfer of service between Arizona retirement plans (i.e., ASRS)
- Transfer of service between Arizona municipalities and special retirement plans (i.e., COPERS, TRS)
Section 3: Pension Benefits

Normal Pension
The most prominent benefit of CORP membership is the normal pension which you can begin receiving upon meeting eligibility requirements. This section details eligibility and calculations for a normal pension benefit.

Several factors come in to play when calculating your pension benefit, including: member tier, service, credited service, average monthly salary, and leave without pay.

**Eligibility and Calculations (Tier 1 Members)**

<table>
<thead>
<tr>
<th>Service*</th>
<th>Credited Service OR Points</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 20 years</td>
<td>Less than 20 years</td>
<td>80 points (age + credited service)</td>
</tr>
<tr>
<td>At least 20 years</td>
<td>Less than 25 years</td>
<td>80 points (age + credited service)</td>
</tr>
<tr>
<td>At least 25 years</td>
<td>80 points (age + credited service)</td>
<td>50% of the member’s average monthly salary plus 2.5% of member’s average monthly salary multiplied by each year of credited service over 20 years (12 years maximum, so the benefit does not exceed 80% of the average monthly salary)</td>
</tr>
</tbody>
</table>

* Dispatchers must have 25 years of service to qualify for a pension benefit

Note: At time of retirement, you will need to review Form C11 for the breakdown of the 80 points based on your hire date.
Eligibility and Calculations (Tier 2 Members)

<table>
<thead>
<tr>
<th>Age</th>
<th>Service*</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>10 years</td>
<td>Member's average monthly salary multiplied by the member's total credited service multiplied by 2.5%</td>
</tr>
<tr>
<td>52.5</td>
<td>25 years</td>
<td>62.5% of the member's average monthly salary plus 2.5% of member's average monthly salary multiplied by each year of credited service over 25 years (maximum 7 years)</td>
</tr>
<tr>
<td>52.5</td>
<td>25 years (but less than 25 years of credited service)</td>
<td>Member's average monthly salary multiplied by the member's total credited service multiplied by 2.5%</td>
</tr>
</tbody>
</table>

* Dispatchers must have 25 years of service to qualify for a pension benefit

Effective Date

Your retirement is considered effective the first day of the month following your termination of employment. Pension payments are paid the last business day of each month.

Example: A member is eligible for normal retirement and terminates employment on May 15.

- The member is considered a June effective retiree.
- The first pension payment will be on the last business day in June.

Disability Pension

During the course of your career, there may come a time when due to injury or illness you are unable to perform your duties as a corrections officer, probation officer, or dispatcher. Should that occur, the System provides special disability pension benefits that you may become eligible to receive. As with all eligibility for benefits, you as member must contact your local board to initiate the disability determination process.

Please Note: The local board may require periodic medical re-evaluations until the member reaches what would have been his or her normal retirement. Disability pensions terminate if the local board finds the retired member no longer meets the requirements for the benefit.

The CORP plan provisions provide three (3) disability pension types. Each has unique qualification standards as described below:

Ordinary Disability (Non-Service Related)

This disability type is a non-job related injury/illness pension. In order to qualify you cannot already be normal retirement eligible. You must have a physical condition which totally and
permanently prevents you from performing a reasonable range of duties within your department; or, you must have a mental condition that totally and permanently prevents you from engaging in any substantial gainful activity. Dispatchers disabled on/after September 21, 2006 and non-dispatchers disabled on/after September 26, 2008, may qualify for an ordinary disability.

Ordinary disability is a fully taxable pension benefit and is calculated using the following formula:

**Tier 1 Members**

(Average Monthly Salary x 50%) x (credited service/20(25 if a dispatcher)) = Monthly Ordinary Pension (MOP)

**Tier 2 Members**

(Average Monthly Salary x 62.5%) x (years of credited service/25) = MOP

**Accidental Disability (Service Related)**

An accidental disability pension is a service related disability benefit. As a member, you could qualify should you have a physical or mental condition which totally and permanently prevents you from doing a reasonable range of duties within your department and incurred in the performance of your duties and was the result of any of the following:

- Physical contact with inmates, prisoners, parolees or persons on probation.
- Responding to a confrontational situation with inmates, prisoners, parolees or persons on probation.
- A job related motor vehicle accident while on official business, except that, if an employee is found guilty of violating a personnel rule or in violation of state or federal law.

A portion of an awarded accidental disability pension is considered non-taxable and is calculated in the following manner:

**Tier 1**

Please note: the first 50% of a member’s average monthly salary is considered nontaxable

*For members with less than 20 years of credited service:*

(Average Monthly Salary) x 50% = Monthly Accidental Pension

*For Members with more than 20 years, but less than 25 years of credited service:*

(Average Monthly Salary) x 50% = Normal Pension (NP)

(Average Monthly Salary x 2%) x (actual number of credited service years over 20) = Additional Amount to NP

NP + Additional Amount to NP = Monthly Accidental Pension

*For Members with more than 25 years of credited service:*

March 2017
(Average Monthly Salary) x 50% = Normal Pension (NP)

(Average Monthly Salary x 2.5%) x [actual number of credited service years over 20 (not to exceed 32 Years of credited service)] = additional amount to NP

NP + Additional Amount to NP = **Monthly Accidental Pension**

**Tier 2 Members**
Please note: the first 62.5% of a member’s average monthly salary is considered nontaxable.

*For member with less than 25 years of credited service:*

Average Monthly Salary x 50% = Normal Pension (NP)

*For member with 25 or more years of credited service:*

(Average Monthly Salary x 62.5%) = Normal Pension (NP)

(Average Monthly Salary x 2.5%) x [actual years of credited service over 25 years (max 7 years or 32 years of credited service)] = Additional amount to NP

NP + Additional amount = **Monthly Accidental Disability Pension**

**Total and Permanent Disability (Service Related)**
A total and permanent disability pension is a service related disability benefit. In order to qualify, you must have a physical or mental condition which totally and permanently prevents you from engaging in any gainful employment and is the direct and proximate result of the performance of your duties. *For member with less than 25 years of credited service:*

Average Monthly Salary x 50% = Normal Pension (NP)

*For member with 25 or more years of credited service:*

(Average Monthly Salary x 62.5%) = Normal Pension (NP)

(Average Monthly Salary x 2.5%) x [actual years of credited service over 25 years (max 7 years or 32 years of credited service)] = Additional amount to NP

NP + Additional amount = **Monthly Total and Permanent Disability Pension**

**Reverse Deferred Retirement Option Plan (Reverse DROP)**
The Reverse Deferred Retirement Option Plan (Reverse DROP) is open to members that are eligible for a normal pension (based on service and age) applicable to a membership date (who is not awarded an accidental, ordinary or total and permanent disability pension). Under the Reverse DROP, the member must voluntarily and irrevocably elect to terminate employment and receive a normal retirement upon participation in the Reverse DROP. The Reverse DROP date is the first day of the monthly immediately following completion of required credited service, or a
date not more than sixty (60) consecutive months before the date the member elects to participate in the Reverse DROP, whichever is later.

*In basic terms, if a member elects to participate in the Reverse DROP, the years of service credit cannot go below 24 (non-dispatcher), or 25 (dispatcher) years of service credit after the Reverse DROP months are applied. The maximum number of months that a member could elect to reverse is 60 months (5 years).*

The member's pension will be calculated using the factors of credited service and average monthly benefit compensation in effect on the Reverse DROP Date. The lump sum distribution is credited as though it accrued monthly from the Reverse DROP date to the date the member elected to participate in the Reverse DROP (plus interest equal to the yield on a five (5) year Treasury note as of the first day of the month as published by the Federal Reserve Board).

Neither the member nor the employee is entitled to a refund of contributions made between the Reverse DROP date and the date the member elects to participate in the Reverse DROP.
Section 4: Planning for Retirement Checklist

☐ Choose a retirement date. Remember, the day you choose to retire (terminate your employment) determines your effective retirement date. “Effective retirement,” is always the 1st of the month following your termination. Pensions are always payable the last business day of the month.

Example: You choose a retirement date of October 15, 2015. Your Effective Retirement will be November 1, 2015 and your first pension check will be payable the last business day of November (November 28, 2015).

☐ Log into your Members Only account to review your contributions history and service credits with CORP. Reviewing this information beforehand will help in addressing any discrepancies with your information, which, if not corrected, could delay your pension. Additionally, you also have the ability to use the Retirement Estimator. This provides you with an approximate amount of what your benefit may be.

☐ Contact your local board secretary. As with all benefits that are payable in the Plan, the local board is responsible for determining eligibility, and completing all the necessary documents with the member. Some local boards may have specific notification requirements in order to complete retirement paperwork, so the sooner you contact your board the better you can plan.

During your meeting with the local board secretary, you will be completing several acknowledgements and forms. Additionally, you will need to have the following documents available:

- Driver’s license
- properly filed, legally recorded Marriage Certificate (if applicable)
- Birth certificates (for you, your spouse and children)
- Voided check (so your monthly pension will go into your bank account)
- Legal documents (i.e., divorce decrees, certified QDRO)

☐ Attend the local board meeting: Before the Administrative Office can initiate pension payments; your local board must meet to determine your eligibility for your pension. Once the local board has met and approved your benefit, your local board secretary will submit your retirement packet to the Administrative Office to begin pension payments. Please note: retirement packets must be received by the tenth of the month in which pension payments are to be made.

☐ Research your health insurance options. For more information, please review the Retiree Health Insurance FAQ in Appendix B of this handbook.

March 2017
Disability Benefits

Application Overview

The application process includes the following:

- Member applying for the benefit which includes:
- Brief description of the nature and cause of the disability
- List of all doctors and hospitals which have treated for the disability
- List of all doctors and hospitals consulted within the last three years
- Authorizations for the local board and its designated physician to access your complete medical history
- Date of disability: the date of the injury or the date the member's physical or mental condition was first diagnosed as to preclude the member from further employment with the CORP employer
- Independent medical examination by a doctor chosen by the local board
- This doctor will write a report, giving an opinion as to the member’s cause of injuries, extent of injuries, and, if applicable, if it is probable that they were sustained in the line of duty. The local board is required by law to base its decision on this report regarding the member’s disability application.

The local board is required to initiate a hearing on a claim within 90 days of receiving your application for disability pension.

If you are granted a disability pension, you may be required to undergo follow-up medical evaluations periodically to continue receiving the disability pension.

Disability Pension Application Process

See the following page for a flowchart on the general disability pension application process. Please note that your local board may have specific procedures in adjudicating disability claims.
Section 5: Leaving Employment Prior to Retirement

Although members benefit the greatest by receiving a pension, there are financial benefits available should you cease employment prior to meeting retirement requirements. You may choose to do one of the following:

- Leave your contributions on account with CORP and retain rights to future CORP benefits
- Request a refund of your employee contributions plus interest and forfeit rights to future CORP benefits
- Rollover your account to another qualified retirement program and forfeit rights to future CORP benefits

Upon separation from CORP employment and withdrawal of your CORP account balance, you waive any and all rights to CORP membership benefits, including, but not limited to:

- Pension benefit
- Disability benefit
- Health insurance premium benefit
- Survivor benefits

Refund of Contributions

If you leave CORP prior to retirement, you are entitled to receive the funds you have contributed through your career, paid as a lump sum, minus any benefit payments or any amount you may owe the System. Employment must be terminated for any reason other than death or retirement, and you must file a completed application with the System. Depending on your length of service and membership tier, you may receive an additional amount in addition to the contributions you made. The payment amounts are calculated as follows:

**Tier 1 Members**

Less than five years of service: 100% of your employee contributions to the System only

Five or more years of service: 100% of your employee contributions to the System plus the following percentage of your employee contributions:

- 5.0 to 5.9 years of service: 25%
- 6.0 to 6.9 years of service: 40%
- 7.0 to 7.9 years of service: 55%
- 8.0 to 8.9 years of service: 70%
- 9.0 to 9.9 years of service: 85%
- 10.0 or more years of service: 100%
**Tier 2 Members**
Members receive a lump sum payment of their accumulated contributions plus interest at a rate determined by the Board of Trustees as of the date of termination.

**Deferred Annuity**

**Tier 1 Members**
Inactive members (not making contributions to the Plan) that have at least ten (10) years of credited service may elect to receive a deferred annuity at the age of sixty-two (62). This annuity is a lifetime monthly payment that is actuarially equivalent to the member’s accumulated contributions in the Plan plus an equal amount paid by the employer. This annuity is not a retirement benefit and annuitants are not entitled to survivor benefits, benefit increases, or participation in the group health insurance to include subsidy.

Tier 2 Members

Tier 2 members are not eligible to receive the deferred annuity. However, members who attain the service requirement for a normal retirement, but do not meet the age requirement, may elect to leave their contributions on account until reaching the age requirement and the elect to receive a retirement benefit, which would include regular CORP pension benefits such as permanent benefit increases, survivor benefit options, and health insurance subsidies.
Section 6: Additional Benefits

Retirement System Health Insurance
CORP members have several health insurance options when entering retirement.

- Extension of employer’s health insurance as a retiree (if offered by employer)
- COBRA (if offered by employer)
- ASRS Group Retiree Insurance Program (request an application from the PSPRS Administrative Office)

Health Insurance Premium Subsidy
Each Arizona retirement system provides a monthly premium benefit payment (subsidy) to eligible enrolled retirees. This payment is applied to health insurance premiums and is intended to help defray the out-of-pocket insurance cost to retirees. The subsidy amount is based upon the insurance plan type (single or family) and Medicare eligibility. The subsidy amount is applied to your total cost due for dental and/or medical insurance, and the difference is either taken out of your monthly benefit or billed by the insurance administrator.

Forms of eligible health insurance include: medical and/or dental coverage, coverage with your previous employer that was extended as COBRA coverage, retiree health insurance coverage offered by the employer, and retiree health insurance coverage offered by CORP through the Arizona State Retirement System (ASRS).

When you are eligible for a retirement benefit from two different Arizona retirement systems (such as CORP and ASRS), you may also be eligible for two health insurance subsidy amounts.

“Medicare eligible” is persons 65 and older. In some cases, a person receiving a disability benefit may be able to obtain Medicare earlier.

The following table details the amount of the subsidy paid by the System based upon coverage levels.

<table>
<thead>
<tr>
<th>Subsidy</th>
<th>Number of Persons and Medicare Eligibility Type</th>
<th>Single / Family Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150.00</td>
<td>Member only - Not Medicare eligible</td>
<td>Single Coverage</td>
</tr>
<tr>
<td>$100.00</td>
<td>Member only - Medicare eligible</td>
<td>Single Coverage</td>
</tr>
<tr>
<td>$260.00</td>
<td>Member and Dependent - No one is Medicare eligible</td>
<td>Family Coverage</td>
</tr>
<tr>
<td>$215.00</td>
<td>Member and Dependent - Member or Dependent is Medicare eligible</td>
<td>Family Coverage</td>
</tr>
<tr>
<td>$170.00</td>
<td>Member and Dependent - Member and one or more Dependents are Medicare eligible</td>
<td>Family Coverage</td>
</tr>
</tbody>
</table>
Subsidy for Survivor Pension

If a law enforcement officer (which includes a corrections officer), as defined in A.R.S. § 38-1103(E)(2), is killed in the line of duty, the surviving spouse or dependent(s) are entitled to insurance benefits either by the former employer, or from the state retirement system from which the spouse or dependent is receiving benefits. The health insurance premium amount payable by the employer of the deceased law enforcement officer is the amount the employer of the deceased law enforcement officer would pay for an active law enforcement officer for a family coverage premium or single coverage premium, whichever is applicable.

Permanent Benefit Increase

Permanent Benefit Increase (PBI) (if retired and qualifies on or before 7-1-2011)

Retirees may receive a permanent benefit increase (PBI), under a formula set by law. This formula requires that half of any surplus over 9% goes into a reserve account for payment of these increases.

The amount of the PBI is dependent on the balance of the reserve account. The maximum increase is 4% of the fund’s average normal benefit and goes to all eligible retirees and survivors. The increase becomes part of the regular monthly check.

To receive a PBI, you must meet 1 of these requirements:

- Regardless of age, you (or a survivor) are eligible if you were getting benefits in July of the past 2 years, or
- If you are at least 55 on July 1 of the current year and received benefits in July of the previous year, you also get the increase.

Permanent Benefit Increase (PBI) (if retired after 7-1-2011)

You may be eligible for a permanent increase to your monthly benefit based on the performance of the PSPRS fund and your status. PBI is calculated using the following criteria:

- Tier 1 retirees (or the survivor of a retired Tier 1 member): was receiving benefits on or before July 31 of the two previous years, OR was 55 or older on July 1 of the current and receiving benefits on or before July 31 of the previous year.
- Tier 2 retirees (or the survivor of a retired Tier 2 member): was 55 or older on July 1 of the current year and is receiving benefits, OR, the retired member was under 55 on July 1 of the current year, was receiving an accidental disability or a catastrophic disability retirement benefit and was receiving benefits on or before July 31 of the two previous years, OR, a survivor was under 55 on July 1 of the current year, is the survivor of a member who was killed in the line of duty and was receiving benefits on or before July 31 of the two previous years.
- The Total Fund return is greater than 10.5% for the prior fiscal year (July 1-June 30)
- The Plan funding level is at least 60% funded.
The increase will be calculated based on the following:

<table>
<thead>
<tr>
<th>Funded Ratio</th>
<th>Maximum Benefit Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 – 64%</td>
<td>2.0% of the average normal benefit in the prior fiscal year</td>
</tr>
<tr>
<td>65 – 69%</td>
<td>2.5% of the average normal benefit in the prior fiscal year</td>
</tr>
<tr>
<td>70 – 74%</td>
<td>3.0% of the average normal benefit in the prior fiscal year</td>
</tr>
<tr>
<td>75 – 79%</td>
<td>3.5% of the average normal benefit in the prior fiscal year</td>
</tr>
<tr>
<td>80% or more</td>
<td>4.0% of the average normal benefit in the prior fiscal year</td>
</tr>
</tbody>
</table>

*Funded Ratio is for each plan (PSPRS, CORP, EORP)*

*If the earnings in excess of 10.5% are insufficient to grant the maximum allowable percentage increase as set forth above, then the percent increase will be limited to the percentage that can be funded by the earnings available*

**Survivor Benefits**

The System provides for benefits to those qualifying beneficiaries in the event of your death. The duration of these benefits is dependent upon the type of individual eligible.

*Tier 1 Members*

**Survivor Pension**

**Active Member**

- The surviving spouse of an active member will receive a lifetime Spouse’s Pension each month for lifetime. The Spouse’s Pension is 40% of the member’s average monthly salary. If the member was killed in the line of duty, the spouse will receive 100% of the member’s average monthly salary.

**Retired Member**

- If married for at least two (2) consecutive years at the time of the member’s death, the surviving spouse of a retired member will receive a Spouse’s Pension each month for lifetime based on 80% of the member’s pension benefit.
Guardian Benefit

- If there is no surviving spouse, or the pension of the surviving spouse is terminated, and there is at least one (1) eligible child, a Guardian Benefit equal to a Spouse’s Pension may be paid to the guardian of the (unmarried) child(ren) each month until each child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student. An eligible Child’s Pension shall become payable directly to the eligible child when the eligible child reaches the age of 18, if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity.
- If a Guardian Benefit is paid to a disabled child (the child's disability occurred prior to the age of 23) and remains a dependent of the guardian, the benefit is payable for the lifetime of the child.

Death Benefit for Active Member Passing

- If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive two (2) times the member’s contributions. If the surviving beneficiary does not claim the benefit, the local board has the authority to pay the member’s nearest of kin, or estate.

Death Benefit of Retired Member Passing

- If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive the balance of the member’s accumulated contributions less the pension payments made to the member. If the surviving beneficiary does not claim the benefit, the local board has the authority to pay the member’s nearest of kind, or estate.

Tier 2 Members

Benefits are the same for beneficiaries of a tier two member; however, they are calculated with the member’s highest 5 year salary.
Section 7: Factors that May Affect Your Pension

Returning to Work after Retirement

- A retired member may become re-employed in a CORP-designated position and continue to receive a pension if the employment occurs twelve (12) months or more after retirement. The retired member shall not contribute to the fund and shall not accrue credited service.

- If a retired member becomes employed by an employer in a designated position before twelve (12) months after retirement, the retired member’s pension shall be suspended during re-employment in a designated position and the retired member shall not make contributions to the Plan nor accrue credited service during such re-employment.

- If you are receiving an accidental or total and permanent disability retirement (and have not reached normal retirement) and have become employed by an employer in a designated position under the Plan, your disability retirement will cease. However, your local board will need to review and determine your return to work eligibility. If benefits are suspended and upon eligibility for re-retirement, the service from the disability retirement will be considered “service” and not “credited service. And your average monthly salary will be based on the salary from the new employment.

Please Note: Your local board determines your continued eligibility for pension should you return to work after retirement.

Divorce

If you have been involved in a divorce, please provide the CORP with a complete copy of the Divorce Decree(s) and any attachments or exhibits referenced in the Decree(s). Upon receipt, additional correspondence will be provided to the parties involved. If the retirement account is required to be split, a Domestic Relations Order (DRO) will need to be prepared. To ensure that the language in the DRO is acceptable, it is recommended that you provide the CORP with a draft copy of the DRO for review and approval prior to submitting it to the court.

Garnishments

As a state agency, the CORP is compelled to withhold any court-ordered levies including, but not limited to tax garnishments and child support.
Appendix A: Glossary

**Accidental Disability:** A physical or mental condition which totally and permanently prevents an employee from performing a reasonable range of duties within the employee’s department, that was incurred in the performance of the employee’s duties and was the result of either physical contact with inmates, or responding to a confrontational situation with inmates, or a job-related motor vehicle accident, and was not the result of a physical or mental condition that existed or occurred before the employee’s date of membership in the Plan.

The first 50% of a Tier 1 member’s average monthly salary is considered nontaxable income. The first 62.5% of a Tier 2 member’s average monthly salary is considered nontaxable income.

**Average Monthly Salary (Tier 1):** Tier 1 members’ retirement benefits are calculated using their high three year average salary. It does not need to be their last three years or even three calendar years. It just needs to be 36 consecutive months within the last ten years of the member’s service. Members can find their high three year average by using the Retirement Estimator tool on the Members Only Portal online.

**Average Monthly Salary (Tier 2):** Tier 2 members’ retirement benefits are calculated using their high five year average salary. It does not need to be their last five years or even five calendar years. It just needs to be 60 consecutive months within the last ten years of the member’s service. Members can find their high five year average by using the Retirement Estimator tool on the Members Only Portal online.

**Contributions:** Money placed in an individual retirement account (IRA), an employer-sponsored retirement plan, or other retirement plan for a particular tax year. Contributions may be deductible or nondeductible, depending on the type of account.

**Credited Service:** The time in which a member's accrued service is supported by contributions made to the System. Credited service is the time used to calculate a member's pension benefit. A member can earn additional credited service if he or she redeems or purchases previous service with another eligible employer or plan. See the section titled “Service Purchases and Transfers” for more details on eligible service redemption and the purchase process.

**Date of Disability:** The date of the injury or the date the member’s physical or mental condition was first diagnosed as to preclude the member from further employment with the CORP employer.

**Designated Position:** Positions covered under the Plan through a joinder agreement enacted by their employer and CORP.

**Disability Pension:** A type of monthly pension in which a member becomes eligible only when the local board has determined that the member has a physical or mental condition that
precludes the member from continuing to work in a CORP designated position. Qualification for this benefit is dependent upon the type of disability the member is seeking.

**Garnishment**: An amount withheld by court order or federal law for payment of taxes and child support.

**Health Insurance Premium Subsidy**: Each Arizona retirement system provides a monthly premium benefit payment (subsidy) to eligible enrolled retirees. This payment is applied to health insurance premiums and is intended to help defray the out-of-pocket insurance cost to retirees. The subsidy amount is based upon the insurance plan type (single or family) and Medicare eligibility. The subsidy amount is applied to the member’s total cost due for dental and/or medical insurance, and the difference is either taken out of their monthly benefit or billed by the insurance administrator. Forms of eligible health insurance include: medical and/or dental coverage, coverage with retiree’s previous employer that was extended as COBRA coverage, retiree health insurance coverage offered by the employer, and retiree health insurance coverage offered by CORP through the Arizona State Retirement System (ASRS). When a member is eligible for a retirement benefit from two different Arizona retirement systems (such as CORP and ASRS), he or she may also be eligible for two health insurance subsidy amounts.

**High 3 Year Average**: See "Average Monthly Salary."

**High 5 Year Average**: See "Average Monthly Salary."

**Independent Medical Examination**: A physician chosen by the local board to conduct an examination and write a report, giving an opinion as to the member’s cause of injuries, extent of injuries, and, if applicable, if it is probable that they were sustained in the line of duty. The local board is required by law to base its decision on this report regarding the member’s disability application.

**Leave Without Pay**: Leave without pay is the time in which a member did not work, was not paid, and did not make contributions. Any full pay period in which this occurred is deducted from a member’s total service to calculate the member’s retirement benefit.

**Local Board**: A local board is a five member board composed of a chairperson and two appointed persons as stipulated in the Arizona Revised Statutes (§38-893.A), as well as two CORP members who are elected by secret ballot election by all contributing members for that employer group. This group makes all decisions on member’s eligibility for membership and plan benefits.
Local Board Secretary: The local board secretary is appointed by the local board and handles all administrative functions for the local board including: completing and retaining the minutes of each local board meeting, ensuring all retirement packets are complete prior to submission to the CORP, and other administrative duties the local board deems necessary. The secretary also serves as the liaison between the contributing membership and the local board, and the local board and CORP Administrative Offices.

Medicare Eligible: Persons 65 and older. In some cases, a person receiving a disability benefit may be able to obtain Medicare earlier.

Member: A person who meets the statutory requirement to be able to participate and contribute in the CORP. At the most basic level, he or she is a full-time (40 hours a week) employee who is employed by a participating employer and is either a corrections officer, detention officer, probation officer, or a dispatcher (hired on or before November 24, 2009). The local board makes all determinations on an employee’s eligibility to participate. See A.R.S. §§ 38-842 and 38-881(13) for a comprehensive list of eligible positions.

Normal Retirement (dispatchers): The earliest point at which a dispatcher member is first eligible to receive a full retirement benefit as calculated by the CORP benefit formula. A member reaches normal retirement based upon the tier level the member is covered.

- Tier 1 members reach normal retirement at 25 years of service or at age 62 with 10 years of service or 80 points.

Normal Retirement (non‐dispatchers): The earliest point at which a non‐dispatcher member is first eligible to receive a full retirement benefit as calculated by the CORP benefit formula. A member reaches normal retirement based upon the tier level the member is covered.

- Tier 1 members reach normal retirement at 20 years of service, or 62 years of age with 10 years of service, or 80 points.
- Tier 2 members reach normal retirement at age 52.5 with 25 years of service.

Normal Pension: The most prominent benefit of CORP membership is a pension that members can begin receiving upon retirement as a lifetime benefit.

Ordinary Disability: A physical condition which totally and permanently prevents an employee from performing a reasonable range of duties within the employee’s department, or a mental condition that totally and permanently prevents the employee from engaging in any substantial gainful activity, and was not the result of a condition that existed or occurred before the employee’s date of membership in the Plan. Dispatchers disabled on/after September 21, 2006 and non‐dispatchers disabled on/after September 26, 2008, may qualify for an ordinary disability. The Ordinary Disability pension is considered a fully taxable benefit.

Plan: The Corrections Officer Retirement Plan (CORP).
Permanent Benefit Increase (PBI): A permanent increase to a member’s monthly pension based on the performance of the CORP fund and the member’s status.

Pre-Member Medical Evaluation: This is a medical evaluation, in addition to any pre-employment medical exams, that is used exclusively by the local board to identify any physical or mental conditions or injuries that existed or occurred prior to an individual’s membership into the System. These identified injuries or conditions may limit a member’s eligibility for disability pensions. Failure to participate in this examination by any member will automatically waive all rights to any disability benefits under the System.

Prior Service: Any previous service time eligible for redemption to add to credited service, including out of state, from another retirement system, or within the CORP plans (CORP, PSPRS, EORP).

Salary: Salary means the base salary, shift differential, military and holiday pay paid a member for personal services rendered in a designated position to a participating employer on a regular monthly, semi-monthly or biweekly payroll basis. Salary includes amounts that are subject to deferred compensation for tax shelter agreements. For the purposes of computing retirement benefits, “base salary” does not include any extra monies, including overtime pay, shift differential pay, holiday pay, fringe benefit pay (such as uniform allowance, cell phone or mileage reimbursement) and similar extra payments.

Service: Service is the necessary time a member must have on record to qualify for normal retirement. It includes the entire amount of time from the beginning of membership until the member’s termination. This includes any uncompensated periods as well - such as unpaid industrial leave, or any other employer-approved unpaid leave of absence.


Temporary Disability: A job-related physical or mental condition which totally and temporarily prevents the applicant from performing a reasonable range of duties within their department. Temporary disability is limited to those who have not reached normal retirement date. Entire pension is considered nontaxable income.

Tier 1 Member: Members are classified as either Tier 1 or Tier 2 members, based on membership date. Tier 1 members are those who became members of CORP prior to January 1, 2012.

Tier 2 Member: Members are classified as either Tier 1 or Tier 2 members, based on membership date. Tier 2 members are those who became members on or after January 1, 2012. The exception is if a member left a CORP covered position prior to January 1, 2012, and withdrew all of his or her contributions to the System (prior to January 1, 2012). Members in this case would be classified as Tier 2 members if hired into a new CORP covered position on or after January 1, 2012.
Total and Permanent Disability: A physical or mental condition which totally and permanently prevents a member from engaging in any gainful employment, that is in the direct and proximate result of the member’s performance of the employee’s duties and is not the result of a physical or mental condition or injury that existed or occurred before the member’s date of membership in the Plan.

Tier 1 members' first 50% is considered taxable income; Tier 2 members’ first 62.5% is considered taxable income.
Appendix B: Frequently Asked Questions

General Information about the CORP

1. How do I apply for retirement benefits including disability?
   Please contact your Local Board Secretary to obtain an application. If you do not know who your Local Board Secretary is, you may call our office at 602-255-5575 for the current contact information.

2. What is the difference between service and credited service?
   Service means that period of employment with an employer that is in the CORP as an employee while in a position that is covered by the CORP. Credited service is that period of service where you made contributions to the CORP or those periods of credited service that were transferred to the CORP from another state retirement system or plan.

3. Will the retirement office accept personal information changes over the phone?
   No, members have the option to submit changes either by filling out the appropriate change request form or by submitting changes on-line (for retired members only) through the Member's Only website. Change request forms are available to print on-line or by calling our office at 602-255-5575.

4. I am retired and no longer residing in Arizona, can the Retirement System withhold taxes for other states?
   No.
Service Purchase

1. What is credited service?
Credited service is the amount service a member earns that is covered by contributions to the CORP. This credited time is factored into a member’s retirement benefit calculation.

2. I am interested in purchasing service, how much will it cost?
Service purchase costs vary by individual member and many factors go into determining cost, such as how much time is being purchased, when it is being purchased, a member’s annual salary, and age. The PSPRS website (www.psprs.com) has an estimator for CORP members. Please note, that a member must initiate any service purchase request by contacting the CORP Active Member Services department.

3. If I purchase prior service, what happens to my benefits under the system from which I purchased the credited service?
You must forfeit any benefits you would be entitled to under the previous plan, except in the case of military pensions.

4. When can I decide to make a service purchase?
You can initiate a service purchase as an active contributing member once you meet the years of credited service criteria, for more information on service criteria refer to section 2: service purchases and transfers. If you have potential service time to purchase, you may want to consider purchasing early in your career as the actuarial cost normally is lower than if you waited until closer to your normal retirement date.

5. Can I purchase my service through payroll deductions?
At this time the system does not allow for service purchases to be made using payroll deductions.
Retiree Health Insurance

1. What is the ASRS Group Retiree Insurance Program?
   An insurance program for medical that offers HMO plans in Arizona and PPO plans outside of Arizona. For dental, there are indemnity and HMO plans. These plans are contracted by Arizona State Retirement System (ASRS). These plans are available to retired members of the Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan (CORP) and the Elected Officials' Retirement Plan (EORP) and are administered through their office. This plan is not to be confused with the Arizona State Department of Administration (ADOA), also known as the "Benefit Options", which is an insurance plan offered to all state employees, working and retired.

2. When I retire, what insurance options do I have?
   - Your employer might offer an extension of the insurance that you currently have (ie. City of Phoenix, Pima County, etc.) Most retirees choose to take the insurance offered by their former employer.
   - ASRS Retiree Group Insurance Program.
   - Most state employees are eligible for ADOA; you will need to check with your human resources to verify if you are eligible.

3. Can anyone sign up for the ASRS group retiree insurance?
   Only retired members and surviving spouses of the Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or the Elected Officials' Retirement Plan are eligible for this insurance.
   An ex-spouse of a retired member is not eligible.

4. If I am just retiring should I take out the insurance through your office?
   Depending on your particular situation you may not want to sign up through our office for insurance. Check with your employer to see if you are able to continue the insurance that you already have.
   - Some employers will only offer a COBRA plan that will last for 18 months, if this is your option, you would be able to enter our insurance effective the month that the Cobra terminates.
   - If you do decide to take out the insurance that this office administers make sure that you are not making yourself ineligible to take your current insurance in a future year.
5. When can I enroll in your plan?
- Open enrollment is every year, which begins October of every year, coverage to start January of the next year.
- Whenever there is a significant change of life style; constituted below:
  - Death
  - Marriage
  - Birth or adoption of child.
  - Turning 65 and taking Medicare.
  - Moving out of the state, or back into the state.
  - Termination of current insurance through an employer

6. I am turning 65 and starting Medicare. Do I need to send anything to your office?
Yes, we need the following information:
- A copy of the Medicare card that has both A and B listed with the effective dates; or,
- A copy of the letter from Medicare stating that the member will be Medicare eligible.

We do not have any contact with Medicare or social security’s offices, you will have to contact them directly if you need to apply for your Medicare cards.

7. If I change insurance companies do I have to notify the old company or will you?
Call our office to confirm where your coverage is.
- If the insurance is through our office we will contact the provider for you once we have received a letter from you requesting to be canceled. If your insurance is through your former employer or ADOA, you will need to contact them directly.
Return to Work

1. I plan on retiring soon and I know I want to return to work with my same employer in a different position. Can I do this?
Yes, you can return to the same employer from which you retired if you terminate employment and are hired back into a non-CORP designated position. In order to be eligible and apply for retirement benefits, you must terminate employment. If you “transfer” to a non-CORP designated position within the same employer, you will not be eligible to apply for and/or receive pension benefits until you have terminated from the new position.

2. I am retired and want to return to a CORP employer into a designated CORP position. Is there a wait period?
Yes, you may become employed by a CORP employer in a designated position and continue to receive your pension benefits if your employment occurs at least 12 months after your retirement. Your retirement is effective the first day of the month following your date of retirement.

In addition, your employer will be required to make an Alternate Contribution Rate (ACR) contribution on your behalf to CORP while you are working in a CORP designated position.

3. Why is there a 12-month rule before a retiree can return to work?
CORP is considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. In order to maintain its tax qualified status, benefits must be provided in accordance to CORP pension statutes as well as within the provisions of the IRS Code. The IRS requires a bona fide separation from service to occur for a member to be eligible to receive a pension. In order to comply with IRS requirements, enabling legislation requires members to serve a 12-month period before seeking reemployment in order to maintain pension payments.

4. When does the 12-month rule for return to work begin?
The statutes state that a member cannot be reemployed by an employer before 12 months after a member’s date of retirement. Retirement is defined as being effective the 1st of the month following the date of retirement which is typically a member’s last day of employment or authorized leave of absence.

5. What happens if I accept employment with a CORP employer in a designated position before I have been retired for 12 months?
Your pension shall be suspended until you terminate employment. Your pension benefits shall not be changed, you will not contribute to CORP and you will not accrue credited service.

In addition, your employer will be required to make an Alternate Contribution Rate (ACR) contribution on your behalf to CORP while you are working in a CORP designated position. This is regardless of whether or not you have been retired for 12 months.
Appendix C: Contact Information

Administrative Offices (PSPRS, CORP, and EORP)
3010 E. Camelback Road, Suite 200
Phoenix, AZ  85016

Tel.: (602) 255-5575
Toll Free: (877) 925-5575
Website: http://www.psprs.com

CORP Departments
Should you have any additional questions, you should always contact your local board secretary first. However, below is a quick reference on the departments at the Administrative Office with their associated areas of responsibility.

Call Center:
- General questions, referral to other CORP resources and personnel

Active Members Department:
Fax Number: (602) 296-2368
Email:ActiveMembersGroup@psprs.com
- Service purchases
- Refunds
- Contribution accounting

Retired Members Department:
Fax Number: (602) 296-2369
Email: BenefitsGroup@psprs.com
- Processing all pension types (including Reverse DROP)
- Insurance/ insurance subsidy

Web Support Department:
- Members Only login and access issues

Additional Resources Online:
http://www.psprs.com
- Member’s Only Portal
- Annual Trust Financials
- General Trust information

March 2017
State Retirement Insurance Providers

Medical Provider
United Healthcare of Arizona
www.uhcretiree.com/asrs  (Medicare)
www.myuhc.com  (Non-Medicare)

Choice Plan (in state) (800) 357-0971
Choice plus PPO Plan (out of state) (800) 509-6729
Senior Supplement Plan (866) 480-1087
Group Medicare Advantage Plan (866) 208-3248
Optumrx (800) 377-5154

Dental Provider
Assurant Employee Benefits
www.assurantemployeebenefits.com/asrs
Indemnity Dental Claims (800) 442-7742
PPO Dental Providers (DHA) (800) 985-9895
Pre-Paid Dental (800) 443-2995

Vision Discount Services
VSP
www.vsp.com
(800) 877-7195