



PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

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Duties of the Local Board

OBJECTIVES

- Overview of why a Local Board is needed
- Composition of the Local Board
- Local Board details and duties
- A Closer Look
- Things to do and consider



REASONS FOR THE LOCAL BOARD



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- What the statutes say

REASONS FOR THE LOCAL BOARD

- The administration of the system and responsibility for making the provisions of the system effective for each employer are vested in a local board.
- All approved agencies shall have a local board.
- The pension law under ARS Title 38 sets forth numerous board responsibilities which the employer agrees to by completing the joinder agreement and joining PSPRS.



WHAT THE STATUTES SAY

ARS 38 says you have the powers to discharge your duties and must:

- Request and receive all information from employer and member for administration of the system
- Distribute information received from the Board of Trustees
- Furnish the Board of Trustees and employer annual reports, like minutes and budgets



WHAT THE STATUTES SAY

ARS 38 says you have the powers to discharge your duties and must:

- Request and receive the actuarial valuation of the system
- Request and receive report of the financial condition and receipts and disbursements of the fund by the Board of Trustees
- Appoint medical boards



WHAT THE STATUTES SAY

ARS 38 says you have the powers to discharge your duties and must:

- Determine question of service credits and amounts
- Prescribe procedures for filing of applications for benefits
- Determine the rights of claimants to benefits
- Sue and be sued to effectuate the duties and responsibilities set forth in the law.



COMPOSITION OF THE LOCAL BOARD

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- Political Subdivisions and Indian Tribes
- State Agencies and Non-Profit Corporations
- Fire Districts

POLITICAL SUBDIVISIONS OR INDIAN TRIBES

- The mayor or chief elected official (or a designee of the mayor or chief elected official) approved by the respective governing body as chairman of the local board.
- Two members elected by secret ballot by members employed by the appropriate employer.
- Two citizens, one of whom shall be the head of the merit system, or their designee, if it exists for the group of members, appointed by the mayor or chief elected official and with the approval of the governing body of the city or the governing body of the employer.
- The appointed two citizens shall serve on both local boards in a city or Indian tribes where both fire and police department employees are members.



STATE AGENCIES AND NON PROFIT CORPORATIONS

- For state agencies and non-profit corporations operating pursuant to § 28-8423 and 28-8424, two members elected by secret ballot by members employed by the appropriate employer.
- Three citizens appointed by the Governor.
- Each state agency local board shall elect a chairman.



FIRE DISTRICTS

- For fire districts organized pursuant to section 48-804, the chairman of the fire district is the chairman, two members elected by secret ballot by members employed the fire district and two citizens appointed by the Chairman, one of whom is a resident of the fire district and one of whom has experience in personnel administration, but who is not required to be a resident of the fire district.
- 48-803 Boards: See Political Subdivisions



OPEN FOR QUESTIONS



TERM AND OATH OF OFFICE

TERM OF OFFICE

Upon the taking effect of this system for an employer, the appointments and elections of board members shall take place as follows:

- One elective and appointive board member serving a term ending two years after the effective date of participation for the employer.
- The other local board members serving a term ending four years after the effective date.
- Thereafter, every second year, and as a vacancy occurs, an office shall be filled for a term of four years in the same manner as previously provided.



OATH OF OFFICE

- Each member of a local board shall, within ten days after the member's appointment or election, take an oath of office.
- The member shall diligently and honestly administer the affairs of the local board and that the member shall not knowingly violate or willingly permit to be violated any of the provisions of law applicable to the system.



LOCAL BOARD POWERS AND RESPONSIBILITIES



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POWERS AND RESPONSIBILITIES

- To decide all questions of eligibility and service credits, and determine the amount, manner and time of payment of any benefits under the system. (Main duty)
- To prescribe procedures to be followed by claimants in filing applications for benefits.
- To make a determination as to the right of any claimant to a benefit and to afford any claimant or the Board of Trustees or both a right to rehearing on the original determination.



POWERS AND RESPONSIBILITIES

- To request and receive from the employers and from members such information as is necessary for the proper administration of the system and action on claims for benefits and to forward such information to the Board of Trustees.
- To distribute, in such a manner as the local board determines to be appropriate, information explaining the system received from the Board of Trustees.



POWERS AND RESPONSIBILITIES

- To furnish the employer, the Board of Trustees, and the legislature, upon request, with such annual reports with respect to the administration of the system as are reasonable and appropriate.
- To receive and review the actuarial valuation of the system for its group of members.
- To receive and review reports of the financial condition and of the receipts and disbursements of the fund from the Board of Trustees.



POWERS AND RESPONSIBILITIES

- To appoint medical boards as provided in §38-859.

The doctor has two purposes in our system:

- Identify a physical or mental condition or injury that existed or occurred prior to the member's date of membership in the system and for which benefits may otherwise be limited by §38-844, subsection D.
- Evaluate a member's eligibility for an accidental disability pension.



POWERS AND RESPONSIBILITIES

- To sue and be sued to effectuate the duties and responsibilities set forth in this article.

Board Protection

- The local board and the individual members of the local board shall be indemnified from the assets of the employer's account in the fund against any and all liabilities arising by reason of any act, or failure to act, made in good faith pursuant to the provisions of the system, including expenses reasonably incurred in the defense of any claim relating to the act or failure to act.



POWERS AND RESPONSIBILITIES

- A local board shall, from time to time, establish and adopt such rules as it deems necessary or desirable for its administration. All rules and decisions of a board shall be uniformly and consistently applied to all members in similar circumstances.
- Each member of a local board is entitled to one vote. A majority vote is necessary for a decision by the members of a local board at any meeting of the local board.
- Three members recorded as “present” at a meeting is needed for quorum of any meeting.
- If you do not have three members present, you can not call a meeting to order; all issues would automatically move to the next agenda.



POWERS AND RESPONSIBILITIES

- You will have to make decisions to approve or deny every action item on your meeting agenda.
- The only way around it is have it tabled until another meeting or ask if the person bringing the issue to the board wants to have it removed.
- If you only have three board members at the meeting, two of those members need to vote in favor of the issue to have a ruling.



OPEN FOR QUESTIONS



OTHER DETAILS

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- Model Uniform Rules
- Hearings
- Rehearings

MODEL UNIFORM RULES

- Local boards that fail to adopt procedures are required to adopt and use the model uniform rules of procedure issued by the Board of Trustees' fiduciary counsel to resolve claims or disputes. A.R.S. § 38-847(F).



HEARINGS

- A hearing before a local board on a matter remanded from the superior court is not subject to rehearing before the local board.
- The court will send orders back with very clear direction on what needs to be reviewed again. They rarely tell us to give someone a pension.
- Decisions of local boards are subject to judicial review pursuant to Title 12, Chapter 7, Article 6.
- When making a ruling, determination or calculation, the local board shall be entitled to rely upon information furnished by the employer, the board of trustees, independent legal counsel, or the actuary for the system.



REHEARING

- Any action by a majority vote of the members of a local board which is not inconsistent with the provisions of the system shall be final, conclusive and binding upon all persons affected by it, unless a timely application for rehearing or appeal is filed as provided in this article.
- A claimant or the Board of Trustees may apply for **rehearing** before the local board within the time period prescribed in this subsection. An application for rehearing shall be filed in writing with a member of the local board or its secretary within **sixty days**.



REHEARING

- The applicant-claimant receives notification of the local board's original action by certified mail, by attending the meeting at which the action is taken or by receiving benefits from the system pursuant to the local board's original action, whichever occurs first.
- The applicant-Board of Trustees receives notification of the local board's original action by certified mail or by receipt of written directions from the local board pursuant to its original action, whichever occurs first.



REHEARING

- It is the member's responsibility to provide all evidence necessary for the local board to take action on an issue.
- It is the local board's responsibility to notify the member of all actions taken regarding their issue by certified mail.
- The sixty day time limit will not begin until the notification has been made. It's in your court.
- That sixty day window could be extended indefinitely if your board fails to notify the member.



OPEN FOR QUESTIONS

AGENDA CONTENT

AGENDA CONTENT

- New members in the System
 - List of names taking medical exam
 - List of those with pre-existing conditions
 - List of names not taking exam when offered
- Disability application
 - Accidental (job-related)
 - Ordinary (not job-related)
- Death of members
 - Still on job
 - Retired
- Normal Service Retirement applications



AGENDA CONTENT

- Annual review of members on disability who may be able to return to work
- Survivor benefits
 - Spouse
 - Eligible children
 - Guardian
- Refunds (Enhanced or not)
 - Quit
 - Fired
 - Annual review of the information sent by the System



AGENDA CONTENT

- Expenses of the board other than budgeted items
 - Board training, seminars & conferences
 - Attorney costs and additional fees other than retainer
 - Doctors' Independent Medical Exams
 - Pre-hire, disability & re-exams
- Hearing and re-hearings
- Service purchases of military or prior service time.
- DROP applications



AGENDA CONTENT

- Future agenda items
- Report election results of public safety board positions
- Approve minutes from the previous meeting
- New business
- Call to the public
- Close session



OPEN FOR QUESTIONS



DISABILITY APPLICATIONS AND PRE-EXISTING CONDITIONS



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PRE-EXISTING CONDITIONS

- The board must hire a medical board to complete an exam on all employees employed after October 1, 1992 to determine any physical or mental condition or injury that existed or occurred prior to the member's date of membership in the system.
- The board staff, or board, must review the physical exam and if there are any pre-existing conditions, acknowledge them and preserve them in the member's record. You should also notify the member about the identification of these conditions.



PRE-EXISTING CONDITIONS: WHY?

- To protect the plan from non-qualifying disability applications.
- To protect the member by making it clear they may not qualify for a disability pension.
 - Example: Asthma, dislocated knee, back problems.
- You want your doctor to find all pre-existing physical and medical conditions.
- Your board should also meet to approve the receipt of these doctors' reports on all new hires.



PRE-EXISTING CONDITIONS: WHY?

- If an employee has asthma, you need to document it. If that condition gets so bad that they can no longer do the job, it may appear to qualify for one of the types of disability retirement.
- If the condition was pre-existing to their employment, it may not qualify for retirement consideration.
- If your doctor finds a condition, you should put the member on notice, preferably in writing.
- There is some good news if you haven't been doing this.



PRE-EXISTING CONDITIONS: THE GOOD NEWS

- The local board can use the employer's physical to make these determinations. Hopefully, those doctors have been identifying pre-existing conditions.
- But, the employer cannot use the local board's exam for hiring purposes. Do they?
- Since the employer pays for both exams, why not coordinate and do only one? Save your money.
- The local board **MUST** acknowledge the receipt to the confidential medical report and file it.
- The board does not have to see the reports; just be confident that staff has taken care of business by listing the names of those with Pre-Existing conditions.



PRE-EXISTING CONDITIONS: THE GOOD NEWS

- The medical board can be composed of a designated physician or a clinic (panel of doctors).
- But, for the purpose of determining a disability you cannot use the same board, panel or doctor.



PRE-EXISTING CONDITIONS: FAQ

Is the employee required to take the exam?

- No. However, if the member fails to take the exam, all rights to disability benefits are waived. (ARS 38-859)
- Most, if not all, employers require an exam.
- AzPOST requires an exam for police officers.
- So, the new hire medical exam is one of your best reasons for having board meetings. This information is listed under ARS 38-859.



OPEN FOR QUESTIONS



THINGS TO DO AND CONSIDER

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- Meeting Notices
- Agendas
- Executive Session
- Minutes
- Staff, Legal Counsel
- Advice

MEETING NOTICES

- Must be posted in a timely manner: 24 hours before the meeting time and in a public place.
- Required by Arizona State Open Meeting Law (ARS 38-431+).
- The same rules that apply to all public meetings.



AGENDAS

- Need to be clear.
- If you forgot to include something on the agenda, no action can be taken on it until the next meeting. Discuss under “new business” to place it on the agenda.
- If you need to go into an executive session for an issue, you must have it posted on the agenda that this may occur.
- Mail the meeting notice and agenda to all members who are impacted by items on the agenda so they have the ability to attend if they choose.



EXECUTIVE SESSION

- Don't do it without an attorney! Your attorney will know what you can and can not discuss in this private meeting.
- Record it.
- This is the only area where a board member can be fined \$500 for each occurrence of talking about the wrong things. The State Attorney General's Office enforces this - and they offer free classes, so you don't make a mistake.



MINUTES

- Record the meetings to make a brief typed electronic copy, (not verbatim).
- You must send the Board of Trustees a copy of the minutes within 20 days, signed by your chair or the entire board that was present.
- The local board must take minutes during the executive session that includes what actually took place, what was said, and by whom.
- Keep them on file.



MINUTES (DISABILITY)

- If you grant a disability, you need to send the minutes ASAP. A “draft” copy will do until the finalized copy is available.

OR

- You can send a letter from your board stating it has approved the disability and then send the minutes in later.
- The Minutes or notification of disability approval needs to be sent by Certified Mail.



LOCAL BOARD STAFF

Local Board Secretary

- Takes and keeps minutes
- Processes all applications, agendas, and other board needs
- Can be a board member, but recommend having a staff member do this function
- The bigger the agency, the more responsibility

Local Board Staff

- May be someone in HR or personnel
- It depends on how much work there is.



LOCAL BOARD LEGAL COUNSEL

- If you don't have much of an agenda you may want to avoid this expense, but you really need guidance if you have a disability application or other legal questions.
- Don't be a penny pincher on this issue; you will pay a lot more going to court trying to defend a simple mistake.
- If you have a disability on the agenda, have an attorney with you.



ADVICE

- For anything but legal issues you can always call the system's administrative office, or another local board such as Phoenix.
- For local board questions, talk to someone who has been there and done that.
- Look to your sister boards that are busy and handle all the crazy stuff.



OPEN FOR QUESTIONS



SUMMARY OF THE STATUTES

SUMMARY OF THE STATUTES

The local board shall:

- *adopt such bylaws as it deems desirable*
- *elect a secretary who may, but need not be, a member of the local board.*

The secretary of the local board shall:

- *keep a record and prepare minutes of all meetings, forward the minutes to the Board of Trustees within 20 days after each meeting, and*
- *forward all necessary communications to the Board of Trustees.*



SUMMARY OF THE STATUTES

- *The fees of the medical board and of local legal counsel and all other expenses of the local board necessary for the administration of the system shall be paid by the employer at such rates and in such amounts as the local board shall approve.*
- *The local board shall issue directions to the Board of Trustees concerning all benefits which are to be paid from the employer's account pursuant to the provisions of the fund.*
- *The local board shall keep on file, in such manner as it may deem convenient or proper, all reports from the Board of Trustees and the actuary.*



OPEN FOR QUESTIONS



LOCAL BOARD RESOURCES

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- **Summary of the Statutes**
- **Tools and Resources for local boards and members**
- **PSPRS Staff contacts**

SUMMARY OF THE STATUTES

Arizona State Statutes related to the Local Board:

ARS 38-847. Local boards

Online at: <http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=38>



RECENT IMPACT ON LOCAL BOARDS

Hall/Parker Case

New Contribution Reporting Requirements

Employers must post your funding ratio on your website



TOOLS AND RESOURCES

- The [Local Board Training](#) section of the PSPRS website
 - Training schedule
 - Local Board Newsletter
 - [Videos](#) of past trainings
 - www.psprs.com



TOOLS AND RESOURCES

- Tools to help process retirement applications

- Retirement Manuals

- [Prior to 1/1/2012](#)
- [On or after 1/1/2012](#)

- Retirement Spreadsheets

- [PSPRS](#)
- [CORP](#)



TOOLS AND RESOURCES

○ Resources for your members

- Member Handbooks
 - [PSPRS](#)
 - [CORP](#)
- [Members Only](#) site
- [PSPRS Public YouTube](#) page
- [PSPRS Facebook](#) page



CONTACT INFORMATION AND RESOURCES

- Employer/Local Board Training Department
 - Don Mineer, *Employer and Local Board Relationship Manager*
 - don@psprs.com
- Active Members Department
 - LaDawn Toger, *Active Members Manager*
ladawn@psprs.com
- Retired Members and Insurance Department
 - Bonnie Brown, *Retired Members and Insurance Manager*
bonnie@psprs.com

THANK YOU FOR
ATTENDING!