

# Elected Officials' Retirement Plan

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## MEMBER HANDBOOK

*August 2024*

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## **Introduction**

### **Purpose of this Handbook**

This handbook was created to give members comprehensive information regarding membership in the Elected Officials' Retirement Plan (EORP). 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, and a Glossary of terms you will encounter throughout this handbook. It is designed to provide an all-in-one reference for your benefit, 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 employer upon membership into the EORP, 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 will be required to complete in order to retire, the documents needed, timeframes and deadlines, 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 EORP including health insurance subsidy and survivor benefits.

### **Leaving Employment Prior to Retirement**

This section provides information regarding termination of your EORP 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 EORP and throughout this handbook.

**Appendix B: Contact Information**

This section provides contact information for the various departments of EORP and how each department can help assist you.

**Tier 1, Tier 2 and Tier 3 EODCRS Members**

Members are classified as either Tier 1, Tier 2 members of EORP, or Tier 3 EODCRS members based on membership date:

<b>Tier 1 Members DB Plan Only</b>	<b>Tier 2 Members DB Plan Only</b>	<b>Tier 3 Members<sup>1</sup> DC Plan (EODCRS) Only</b>
Hired into EORP position before January 1, 2012	Hired into EORP position on/after January 1, 2012	Newly appointed or elected on/after January 1, 2014

Throughout this handbook, you will see differences between Tier 1 and Tier 2 membership tiers. If there is no differentiation, then the benefit, calculation, or requirement is the same for both tiers. For members participating in Tier 3, Elected Officials Defined Contribution Retirement System (EODCRS), refer to the PSPRS website and EODCRS Summary of Plan Provisions for member benefit information.

**Operating Structure of the EORP****Defined (DB) Benefit Plan**

The EORP is a special retirement system created by the state legislature for elected officials and members of the judiciary elected, appointed or hired on/before December 31, 2013. The plan provides a uniform, consistent, and equitable statewide retirement program for those eligible officials as defined by the plan. A member of the plan does not have a vested right to benefits under the plan until the member files an application for benefits and is found to be eligible for those benefits.

The EORP 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.

**Elected Officials Defined Contribution Retirement Plan (EODCRS)**

PSPRS/EORP also administers a 401(a) defined contribution (DC) plan where retirement benefits are determined ("defined") based on contributions and investment earnings on those

contributions. For members participating in the Elected Officials' Defined Contribution Retirement System (EODCRS), refer to the PSPRS website and EODCRS Summary of Plan Provisions for member benefit information.

### *Board of Trustees*

The Board of Trustees is a nine-member policy-making board that has statutory and fiduciary responsibility to invest the monies EORP, PSPRS (Public Safety Personnel Retirement System), and CORP (Corrections Officer Retirement Plan) accounts. Through staff, the board keeps records for each employee and employer in the plan and pays 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 employer and local board.

### *Composition of the Board of Trustees*

The Board of Trustees as established by ARS §38-848 consists of nine members, each serving five-year terms. Four trustees are appointed by the governor. A fifth trustee is also appointed by the governor but must first be nominated by the PSPRS Advisory Committee and the Board of Trustees. Two trustees are appointed by the president of the Senate, and two are appointed by the speaker of the House of Representatives.

### *Board of Trustees Meetings*

The Board of Trustees meet monthly or as scheduled to review the operating functions, investments, and other issues pertinent to EORP, PSPRS, and CORP. These meetings are typically held on the fourth Wednesday of each month 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 to watch and listen to the meeting live online. Agendas, meeting materials, and prior meetings' minutes are available to download from the PSPRS website ([www.psprs.com](http://www.psprs.com)). 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 beginning of each meeting.

### *Administrative staff Responsibilities*

As designated by the Board of Trustees, the administrative staff oversee and determine EORP membership eligibility, payment of benefits, and preparing service purchase and retirement estimates, processing retirements, and coordinating disability applications in accordance with the provisions of the plan.

The administrative staff will provide you the information you need 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 will find service purchase and retirement estimators, legislative updates, forms for updating your information, and you will have the ability to make online updates to your retired account in Members Only.

### **Elected Officials' Information**

Our website contains a section devoted to elected officials, which includes membership tier and benefit information, benefit payment schedule as a retiree, legislation affecting the EORP, commonly used forms, and contacts at the EORP administrative office.

### **Members Only Portal**

The Members Only portal online service provides you instant access to your contribution history (active members) and direct deposit notices (retirees). You are encouraged to register in the Members Only online access by clicking on the "Members Only" 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: last name, email address, date of birth, Social Security number, and employer. From there, follow the steps to enter a unique username and password. Upon logging into Members Only using your username and password, you will be able to do the following:

- View your contribution history (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)
- Note: To calculate your monthly retirement estimate, you will need to use the retirement estimator worksheet located on the webpage of Forms & Resources (under active members or contact the EORP administrative office to request an estimate by calling 602-255-5575 or emailing your request to [eorpquestions@psprs.com](mailto:eorpquestions@psprs.com).

## Section 1: Information for New and Active Contributing Members

### Membership Requirements

Becoming a member of EORP has certain requirements. Some of the requirements of membership include the following:

#### Contributions

The EORP is composed of employer contributions, employee contributions, and investment gains. These contributions and investment gains are what support pension payments to you and all other beneficiaries in the plan.

Contributing to EORP is mandatory upon membership. These contributions are automatically deducted from your paycheck by your employer, and depending on your membership tier, employee contribution rates may vary each fiscal year and if you are in the DB plan or EODCRS plan.

You may view employee contribution rates from our website at <https://www.psprs.com/elected-officials/member/contributions-salary--service>, or access your account at any time by logging into your Members Only account.

Your employer is also required to make contributions to EORP for your retirement benefit.

For DB members, your pension 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. For members participating in the Elected Officials' Defined Contribution Retirement System (EODCRS), your retirement benefit is determined based on employee and employer contributions, plus invested earnings. See "Pension Benefits" for more information on this.

If you cease to hold office before you are eligible for a pension benefit, you have a couple of options available as a member of EORP. These include applying for a refund of your employee contributions; or, in some instances you may be able to leave your contributions on account with the plan and apply for retirement at a future date. See the section titled "Leaving Employment Prior to Retirement" for more information.

#### Choosing a Beneficiary

All EORP 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 surviving spouse's pension or child's pension, automatically identify the beneficiary of the benefit. When there is no eligible surviving spouse, or eligible children, if applicable, the plan will issue a death benefit payment to the named beneficiary(ies) on file.

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 EORP informed of any changes related to your beneficiaries, such as address changes, deaths, etc. Changes can be made by completing the Beneficiary Designation Form (Form 8), which is available on the PSPRS website.



## Section 2: Service Purchases and Transfers

### Service Purchases

As a member of EORP, you have the option of purchasing or redeeming certain other service you have acquired to be applied to your EORP account.

In the official quote provided by the system, you will be given options to purchase or transfer the eligible credited service by a lump-sum payment, transfer from a qualified plan, payments through an irrevocable, after-tax\* payroll deduction agreement (PDA) through your employer, and/or by a combination of these options.

#### Service Purchase Types

Purchasing service has a direct impact on your calculated retirement benefit amount. The EORP 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 EORP employer prior to joinder date

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

Common Service Purchase Types		
Type of Service	Service Required with the system	Maximum Service to Purchase
Prior active military service	5 years	60 months
Prior out of state governmental service	5 years	60 months
Prior forfeited service within the same retirement plan	N/A	All previously forfeited service
Other Arizona state retirement system of plan	N/A	All service

### *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 EORP 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 complete 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 (APV) 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 need to contact the EORP 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.

Payroll deduction agreement (PDA): You can have a fixed payment deducted from your regular paycheck each pay period. All PDA payments are deducted on a post-tax basis. For more details contact our Active Members Department.

Rollovers: Certain funds may be transferred from one qualified plan to the EORP 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 leave office in an EORP-covered position and are then elected into the same office or another elected office with the same employer or another employer in the plan, your service will be automatically transferred. In order to qualify, contributions must be left on account with the plan.

### **Types of Service Transfers**

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

- Transfer between EORP 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 EORP 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 into play when calculating your pension benefit, including membership tier, service, credited service, average yearly salary, and leave without pay.

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

Age	Credited Service	Calculation
62	10 years	(Average yearly salary x 4%) x total years of credited service
65	5 years	(Average yearly salary x 4%) x total years of credited service
Not required	20 years	(Average yearly salary x 4%) x total years of credited service

### Early Pension

As a Tier 1 Member, you also have the option of retiring early. This section details the eligibility and calculation for an early pension benefit.

Several factors come into play when calculating your early pension benefit, including membership tier, age, service, credited service, average yearly salary, and leave without pay.

#### Early Retirement Eligibility and Calculation (Tier 1 Members)

Age	Credited Service	Calculation
None	5 years	<ul style="list-style-type: none"> <li>Average Monthly Salary x .04 (multiplier) x Credited Service = Gross Monthly Pension based on Normal Retirement</li> <li>Gross Monthly Pension based on Normal Retirement x .0025 (reduction factor not to exceed 120 months or 30%) x months to normal retirement = Monthly Reduction</li> </ul>

		<ul style="list-style-type: none"> <li>Gross Monthly Pension based on Normal Retirement – Monthly Reduction = Gross Monthly Pension Based on Early Retirement</li> </ul>
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***Eligibility and Calculations (Tier 2 Members)***

Age	Credited Service	Calculation
62	10 years	Average yearly salary x 3%(multiplier) x total years of credited service = Gross Monthly Pension
65	5 years	Average yearly salary x 3%(multiplier) x total years of credited service = Gross Monthly Pension

***Effective Date***

Your retirement is considered effective the first day of the month following your termination of employment. If you have opted to leave your monies on account until retirement age is reached, your pension will be effective the first day of the month following your request for application. 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 an elected official. Should that occur, the EORP provides special disability pension benefits that you may become eligible to receive. As with all eligibility for benefits, you must contact our administrative office to initiate the disability application process.

In order to qualify, you must be permanently mentally or physically incapacitated for the purpose of performing the duties of your office. You will be required to be examined by a board of three physicians and a majority of the board physicians must certify that you are a) mentally or physically incapacitated for the purpose of performing the duties of your office, b) that your incapacity occurred during your term of office and is expected to be of an indefinite duration, and c) that you should be retired.

Disability pension benefits are fully taxable and are calculated using the following factors and formulas:

### *Tier 1 Members*

Credited Service	Calculation
<b>4.99 years or less</b>	Average yearly salary x 4% x 5 years of credited service (20% of the average yearly salary)
<b>5 years but less than 9.99 years</b>	Average yearly salary x 4% x 10 years of credited service (40% of the average yearly salary)
<b>10 or more years</b>	Average yearly salary x 4% x 20 years of credited service (80% of the average yearly salary)

### *Tier 2 Members*

Credited Service	Calculation
<b>4.99 years or less</b>	Average yearly salary x 3% x 6.25 years of credited service (19% of the average yearly salary)
<b>5 years but less than 9.99 years</b>	Average yearly salary x 3% x 12.5 years of credited service (38% of the average yearly salary)
<b>10 or more years</b>	Average yearly salary x 3% x 25 years of credited service (75% of the average yearly salary)

## Section 4: Planning for Retirement Checklist

- Log into your Members only account to review your contribution history and service credits with EORP. Reviewing this information and addressing any discrepancies will prevent any delay in receiving your retirement.
- A retirement benefit estimator is available on our website. This provides an approximate amount of what your monthly retirement benefit might be. You may also contact the administrative office of the Elected Officials Retirement Plan for an estimate of your pension benefits.
- As with all benefits that are payable in the plan, the administrative staff is responsible for determining eligibility, and providing the member with the necessary retirement paperwork. When you are ready to retire, please contact the administrative staff at least 45 days prior to your last working day. The administrative staff will send the retirement paperwork to you. The retirement packet will include your calculated pension amount, date of your first pension check, tax forms, direct deposit forms, beneficiary form and insurance information.

Once you receive the retirement packet, you will be completing several acknowledgements and forms. Additionally, you will need to have the following documents available:

- Driver's license
  - Copy of your properly filed, legally recorded marriage certificate (if applicable)
  - Copies of birth certificates for you, your spouse and children
  - Voided check or letter from your bank validating your account and routing number
  - Legal documents (i.e., divorce decrees, certified QDRO)
- If desired, attend the Board of Trustees meeting: Before the administrative office can initiate pension payments; the PSPRS Board of Trustees must meet to determine your eligibility for your pension. Once the Board of Trustees has met and approved your benefit, the administrative staff will process your retirement packet 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. The administrative staff will provide insurance information with your retirement paperwork. More information is also available on the EORP website.

## **Disability Benefits**

### ***Application Overview***

The application process includes the following:

- 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.
- All medical records relating to the above lists of doctors (electronic is acceptable).
- Authorizations to access your complete medical history.
- Three independent medical examinations by physicians chosen by the member, Administrator of the plan and the Governor's office.
- The three physicians will write a report, giving an opinion as to the member's mental and physical incapacitation for the purposes of performing the duties of the member's office, that the disability occurred during the member's term in office and is expected to be of an indefinite duration and lastly that the member should be retired. The Board of Trustees is required by law to base its decision on the three reports regarding the member's disability application.

If you are granted a disability pension, you may be required to undergo follow-up medical evaluations periodically to continue receiving the disability pension until normal retirement criteria is met.

### ***Disability Pension Application Process***

Please contact the EORP administrative office to begin the disability application process.



## Section 5: Leaving Employment Prior to Retirement

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

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

Upon your leaving office and withdrawal of your EORP account balance, you waive any and all rights to EORP membership benefits.

### Refund of Contributions

If you leave EORP prior to retirement, you are entitled to receive the funds you have contributed through your career, paid as a lump sum, minus any amount you may owe the plan and less the mandated federal tax income withholding payments and upon completion of an application with the plan. 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 plan only

Five or more years of service: 100% of your employee contributions to the plan **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%, plus 3% interest if left on account for 30 days

#### 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.

## Section 6: Additional Benefits

### Health Insurance for Tier 1 and 2 Members

EORP 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 enrollment form from the PSPRS administrative office)
- Arizona Department of Administration (request an application from the ADOA Benefits Office)

### Health Insurance Premium Subsidy

The EORP 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), Medicare eligibility, and years of service. If you elected any of the insurance plans stated above and if the employer allows to receive the subsidy, the subsidy amount is applied to your total cost due for dental and/or medical insurance thus reducing your out-of-pocket cost. Therefore, your net cost is either taken out of your monthly benefit or is 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, retiree health insurance coverage offered by EORP through the Arizona State Retirement System (ASRS), and retiree health insurance coverage offered by the Arizona Department of Administration (ADOA).

When you are eligible for a retirement benefit from two different Arizona retirement systems (such as EORP 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 plan based upon coverage level:

Years of Credited Service	MEMBER ONLY		MEMBER AND DEPENDENT(S)		
	Not Medicare Eligible	Medicare Eligible	No one Medicare Eligible	Everyone Medicare Eligible	At Least One Medicare Eligible
5-5.9	\$90.00	\$60.00	\$156.00	\$102.00	\$129.00
6-6.9	\$112.50	\$75.00	\$195.00	\$127.50	\$161.25
7-7.9	\$135.00	\$90.00	\$234.00	\$153.00	\$193.50
8+	\$150.00	\$100.00	\$260.00	\$170.00	\$215.00

## **Cost of Living Adjustment (COLA) Increase for Tier 1 and Tier 2 Members**

Cost of Living Adjustment (COLA) increases for elected official retirees and survivors are determined based on the effective retirement date (retired on/after July 1 of the prior fiscal year) and the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics for the metropolitan Phoenix-Mesa area ending December 31 of the prior calendar year.

Contingent on the CPI, up to 2% may be paid as a COLA.

For retirees in their first year of retirement (retired on/after July 1 of the prior fiscal year), the increase is prorated based on the date of retirement.

## **Survivor Benefits**

The plan 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 and Tier 2 Members**

#### ***Survivor Pension***

##### **Active Member**

- The surviving spouse of an active or inactive member will receive a lifetime spouse's pension each month for lifetime. The spouse's pension is 75% of the member's pension benefit based on the calculation for a disability benefit.

##### **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 their lifetime based on 75% 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 an unmarried 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 the balance of the member's contributions. If the surviving beneficiary

does not claim the benefit, the Board of Trustees 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 Board of Trustees has the authority to pay the member's nearest of kin, or estate.

### ***Tier 2 Members***

#### **Active Member**

- The surviving spouse of an active or inactive member will receive a lifetime spouse's pension each month for lifetime. The spouse's pension is 50% of the member's pension benefit based on the calculation for a disability benefit.

#### **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 50% of the member's pension benefit.
- The member may elect an optional form of retirement benefit, as determined by the board, that provides for an actuarially reduced pension and an increased surviving spouse's benefit. The increased spouse's benefit is 75% of the member's pension benefit. (see Normal Pension eligibility and calculation Tier 2)

## Section 7: Factors that May Affect Your Pension

### Returning to Work after Retirement

If a retired member subsequently becomes, by reason of election or reelection, an elected official from the **same** office from which the member retired, within a time period following the member's retirement that is less than one full term for that office, the member shall not receive a pension. If a retired member subsequently becomes an elected official from the same office, contributions shall not be made by the retired member and credited service shall not accrue while the retired member is holding office. If/when the elected official ceases to hold the same office, the elected official is entitled to receive the same pension benefit the elected official was receiving when the elected official's pension was discontinued.

A retired judge may be called by the supreme court to active duties and continue to receive retirement benefits, except that if a retired judge who is temporarily called back to the active duties of a judge is entitled to receive the same compensation and expenses as other like active judges less any amount received for that period in retirement benefits.

The employer is required to pay an alternate contribution rate on behalf of a retired member who returns to work in any capacity in a position ordinarily filled by an elected official.

### Divorce

If you have been involved in a divorce, please provide the EORP 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 EORP with a draft copy of the DRO for review and approval prior to submitting it to the court.

### Garnishments

Upon receipt of an acceptable order, the EORP can withhold for a tax levy, child support, or pursuant to an acceptable, certified domestic relations order (DRO).

## Appendix A: Glossary

**Average Yearly Salary (Tier 1):** Tier 1 members' retirement benefits are calculated using their highest three-year average salary as mandated by the applicable city, county or state. 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 10 years of the member's service.

**Average Yearly Salary (Tier 2):** Tier 2 members' retirement benefits are calculated using their highest five-year average salary as mandated by the applicable city, county or state. 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 10 years of the member's service.

**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.

**Cost of Living Adjustment (COLA) Increase:** A permanent increase to a member's monthly pension.

**Credited Service:** The time in which a member's accrued service is supported by contributions made to the plan. 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.

**Disability Pension:** A type of monthly pension awarded by the Board of Trustees in which a member who becomes permanently mentally or physically incapacitated for the purpose of performing the duties of the member's office if the majority of the board of physicians certifies that the member is mentally or physically incapacitated and is expected to be for an indefinite duration.

**Garnishment:** An amount withheld by court order or federal law for payment of taxes through a levy, child support, or pursuant to a PSPRS approved domestic relations order.

**Health Insurance Premium Subsidy for DB Members:** 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 EORP and ASRS), he or she may also be eligible for two health insurance subsidy amounts.

**Highest 3-Year Average:** See "Average Yearly Salary."

**Highest 5-Year Average:** See "Average Yearly Salary."

**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.

**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 EORP and who elected or appointed into office on or before Dec. 31, 2013. This includes all Arizona county and state elected officials, justices of the supreme court, every judge of the superior court and court of appeals, and every elected official of a city or town who executed joinder into the plan.

**Plan:** The Elected Officials Retirement Plan (EORP).

**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 EORP plans (EORP, PSPRS, CORP).

**Service:** The necessary time a member must have on record to qualify for a retirement benefit. 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.

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## Appendix B: Contact Information

### Administrative Office

PSPRS, CORP, and EORP  
3010 E. Camelback Road, Suite 200  
Phoenix, AZ 85016

Call Center for general questions, referrals to other EORP resources and personnel  
Tel.: (602) 255-5575  
Toll Free: (877) 925-5575

Website: <http://www.psprs.com>

### EORP Departments

Should you have any additional questions, please contact our administrative office. Below is a quick reference of the departments at the administrative office with their associated areas of responsibility.

#### Active Members Department:

Fax Number: (602) 296-2368  
Email: [ActiveMembersGroup@psprs.com](mailto:ActiveMembersGroup@psprs.com)

- Service purchases
- Refunds
- Contribution accounting

#### Retired Members Department:

Fax Number: (602) 296-2369  
Email: [BenefitsGroup@psprs.com](mailto:BenefitsGroup@psprs.com) or [EORPquestions@psprs.com](mailto:EORPquestions@psprs.com)

- Retirement estimates and applications
- Health Insurance/insurance subsidy
- Common change forms such as address, tax elections, and direct deposit

#### Additional Resources Online: <http://www.psprs.com>

- Members Only portal
- Annual Trust Financials
- General Trust information
- Board of Trustee meeting information



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## State Retirement Insurance Providers

### *Medical Provider*

#### **United Healthcare of Arizona**

[www.uhcretiree.com/asrs](http://www.uhcretiree.com/asrs) (Medicare)

[www.myuhc.com](http://www.myuhc.com) (Non-Medicare)

### *Dental Providers*

#### **Delta Dental**

[deltadentalaz.com/asrs](http://deltadentalaz.com/asrs)

PPO Dental Customer Service & Claims: 1(833) 335-8201

Vision Discount Services (via EyeMed, Group #9231093): 1(866) 246-9041 or  
[eyemedvisioncare.com/deltadental](http://eyemedvisioncare.com/deltadental)

#### **Cigna Dental Care (DHMO) Plan**

[Cigna.com/ASRS](http://Cigna.com/ASRS)

Customer Service and Claims: 1(800) 244-6224 (Available 24/7)

#### **Arizona Department of Administration**

[www.benefitoptions.az.gov](http://www.benefitoptions.az.gov)

(602) 542-5008

(800) 304-3687