



Plan Retirements & Disabilities

Local Board Relationship Manager Joann Lowey





Who is eligible to retire?

PS Tier 1 Members

Employees who became members prior to January 1, 2012, qualify for a normal pension:

- 20 years of service at any age or
- 15 years of service and at least age 62 (reduced)

Average monthly benefit calculated on highest 3 consecutive years of salary out of the last 20 years of credited service

PS DROP (Tier 1 Only)

- 20 or more years of credited service - 60 months/5 years
or
- 24.5 years of credited service and age 51 years - 84 months/7 years
- Employee and employer stop making contributions to the system
- Voluntary and irrevocable
- Does accrue interest up to 60 months
- Lump sum into Nationwide

CORP – Tier 1

Employees who became members prior to January 1, 2012, must meet the following to qualify for a normal retirement:

- 80 points (years of service and age)
- 10 years of service and age 62
- 20 years of service any age
- 25 years for dispatchers
- Average monthly benefit calculated on highest 3 consecutive years of salary out of the last 10 years

CORP – Tier 2

Employees who became members on or after January 1, 2012, must meet the following to qualify for a normal pension:

- 10 years of service at age 62
or
- 25 years of service age 52.5
- Highest 5 consecutive years of salary out of the last 10 years of employment (60 consecutive months)

CORP Reverse DROP

- Tier 1 – 24 years of credited service
- Tier 1 Dispatchers – 25 years of credited service
- Tier 2 – age 52.5 years and 25 years of credited service
- Tier 3 – AOC DB – Age 55 years and 24 years of credited service
- Voluntary and irrevocable
- One-time lump sum payment at time of retirement in addition to monthly pension payment
- Upon separation lump sum to Nationwide Retirement Solutions

Credited Service

- Service – date of hire to date of retirement
- Credited service – contributions on record for all pay period endings between service date and date of retirement
- PSPRS will work with employers and local boards to resolve discrepancies, including missing pay periods, credited service and contributions
- PSPRS makes final determination on service/credited service, contributions and amount, time of payment
- Cooperation between PSPRS, local boards and employers necessary for processing all benefit types

Retirement/Benefits Application Process

- Employers submit PS-CORP Request Retirement Estimate Form to PSPRS via benefitsapp@psprs.com within 10 days of receipt from retiring members
- Form covers:
 - Public safety: Normal retirement, DROP enter/exit, deferred annuity
 - CORP: Normal retirement, reverse DROP retirement, deferred annuity
 - Note: Deferred annuity available to Tier 1 PSPRS and CORP members only
- Process does not prohibit local boards secretaries or members from assisting members
- For convenience, PSPRS will accept benefit applications directly from members
- Process does not include disability and line-of-duty death applications

Retirement/benefits application process

- Step 1: PSPRS receives normal retirement (or other applicable benefit) application from employer on behalf of member or members
 - PSPRS is requiring where feasible a 60-day notice of member's anticipated retirement date
- Step 2: PSPRS works with employer to confirm member's pending retirement date, member's service and contribution record
 - Reconciliation between employer and PSPRS records may be necessary
- Examples: Leave-without-pay periods, differences between credited service and contribution history

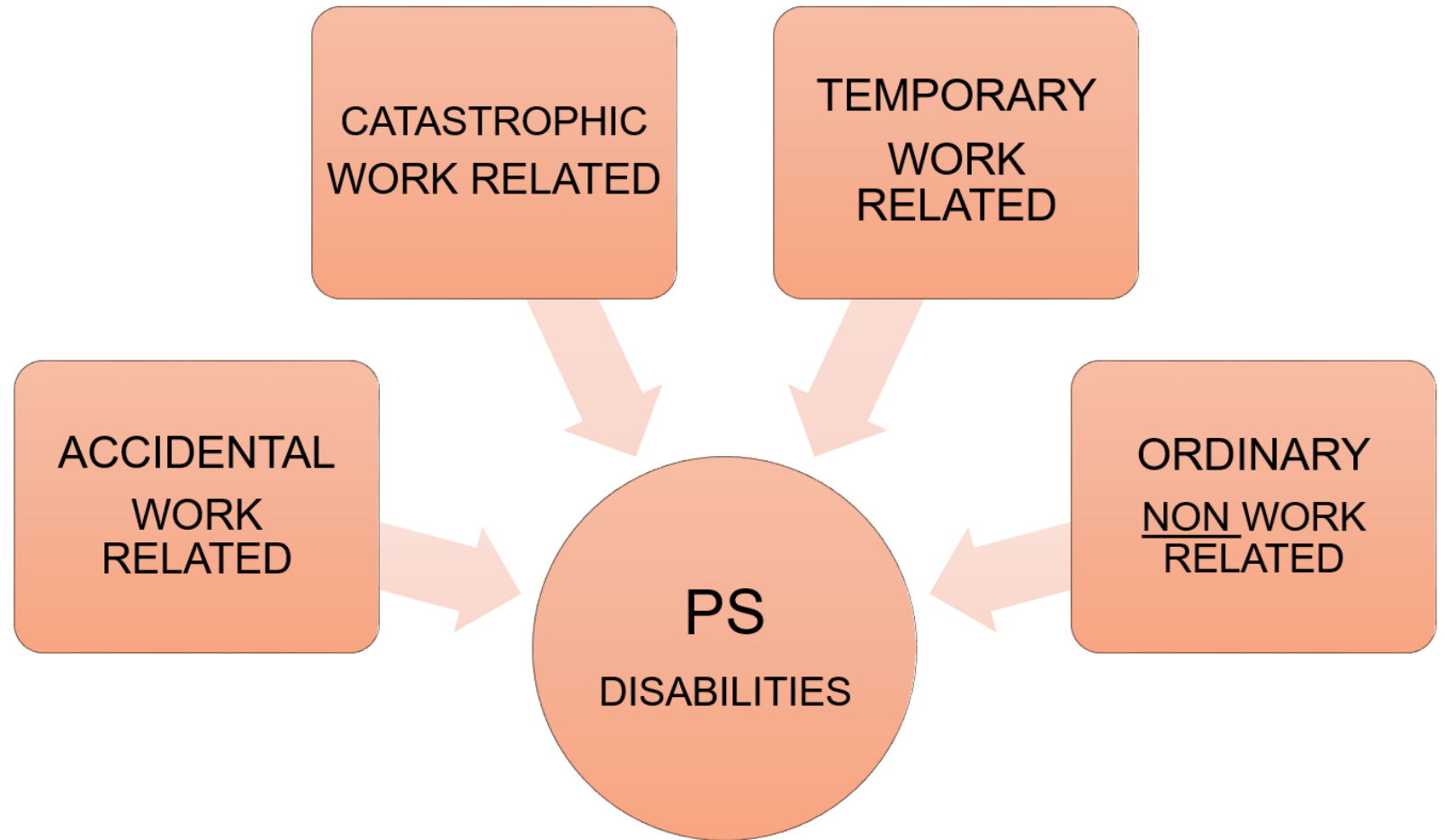
Retirement/benefits application process

- Step 3: PSPRS provides benefit estimate and necessary forms to member
 - Retirement packet will provide direction and deadlines associated with initiating pension benefit
- Step 4: Member (or assisting party) completes and returns forms to PSPRS
 - All forms (whether coming directly from member or assisting party) must be received by the 10th of the month of effective retirement
- Step 5: PSPRS processes and distributes pension benefits based upon date of member's retirement
 - Applications for survivor (retired member), guardian, child and death benefits will be provided by Retired Members Department

Resources for Public Safety

- A.R.S. 38-842 – Definitions – 1, 9, 34, 39, 48
- A.R.S. 38-842.01 – Hired on or after July 1, 2017
- A.R.S. 38-844 – Requirements for disability pension
- A.R.S. 38-844.06 (B) – Additional DROP provisions
- A.R.S. 38-845 – Amount of retirement benefit
- A.R.S. 38-845.02 – Payment of pension
- A.R.S. 38-847 – Local boards
- A.R.S. 38-849 – Reemployment
- A.R.S. 38-859 – Medical boards; purposes; composition
- Model uniform rules of local board
- Local board retirement manual
- Retirement spreadsheet

Public Safety



PS Disability – Defined Benefit

Four types of disability pension:

- **Accidental:** Work related
 - Physically or mental condition
 - Totally and permanently prevents from performing reasonable range of duties within the job classification
- **Ordinary:** Non-work related
 - Physical condition prevents from performing a reasonable range of duties within the department or mental condition
 - Totally and permanently prevents from engaging in any substantial gainful employment
 - Not available if eligible for normal retirement
 - Not available Tier 3 for defined contribution members

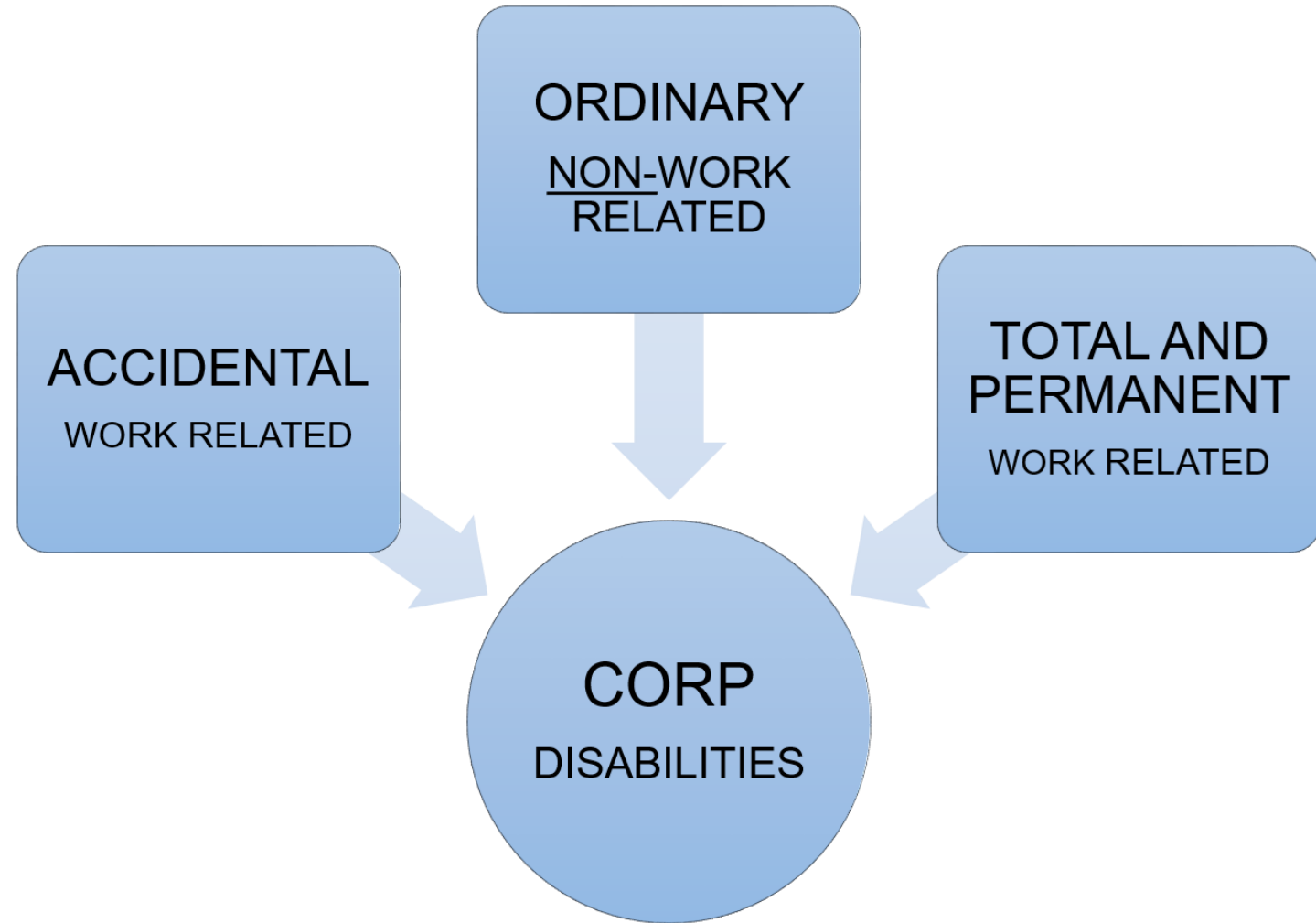
PS Disability – Defined Benefit (cont.)

- **Temporary:** Work related
 - Physically or mental condition
 - Totally and temporarily prevents from performing reasonable range of duties within department
 - Not available if eligible for normal retirement
 - 12 months only – must apply for accidental or ordinary
- **Catastrophic:** Work related
 - Physical condition (only)
 - Totally and permanently prevents engaging in any gainful employment
 - 60 months only – LB will reevaluate – pension amount reduced
- PS Defined Contribution (Tier 3) – only eligible for work-related disabilities

Resources for CORP

- A.R.S. 38-881 – Definitions – 1, 30, 36, 46
- A.R.S. 38-881.01 – Defined contribution plan; Disability
- A.R.S. 38-886 – Disability qualifications
- A.R.S. 38-886.01 – Ordinary disability qualifications
- A.R.S. 38-890 Pensions; Commencement and duration
- A.R.S. 38-893 – Local boards
- A.R.S. 38-895.02 – Payment of pension
- Model uniform rules of local board
- Local board retirement manual
- Retirement spreadsheet

CORP



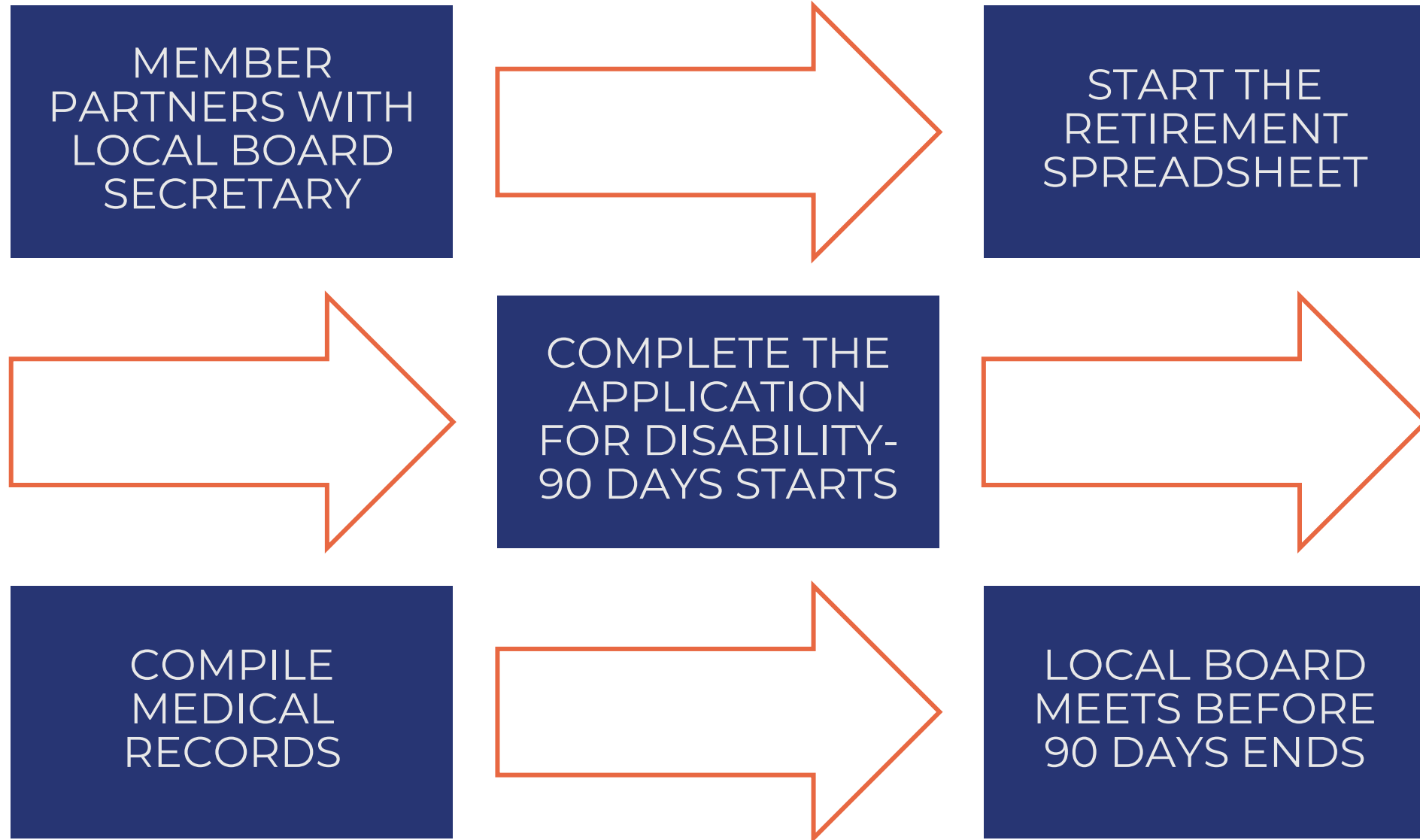
CORP Disability – Defined Benefit

Three types of disability pension:

- **Ordinary:** Non-work related
 - Physical condition
 - Totally and permanently prevents from performing a reasonable range duties within the department or mental condition
 - Totally & permanently prevents from engaging in any substantial gainful activity.
 - Not available if eligible for normal retirement
 - Not available for Tier 3 defined contribution members

CORP Disability – Defined Benefit (cont.)

- **Accidental:** Work related
 - Physical or mental condition
 - Totally & permanently prevents from performing a reasonable range of duties within department
- **Total and permanent:** Work related
 - Physical or mental condition
 - Totally & permanently prevents from engaging in any gainful employment
- CORP Defined Contribution (Tier 3) – only eligible for work-related disabilities



Retirement Spreadsheet

www.PSPRS.com > Forms & Resources > Employers > Retirement Spreadsheets



PLEASE SELECT BENEFIT TYPE:

☒ NORMAL RETIREMENT

☐ ACCIDENTAL DISABILITY

☐ ORDINARY DISABILITY

☐ CATASTROPHIC DISABILITY ☐ Over 60-months

☐ TEMPORARY DISABILITY

☐ SURVIVING SPOUSE ☐ GUARDIAN ☐ CHILD BENEFIT

☐ Member was retired

☐ Killed in line of duty

☐ DESIGNATED BENEFICIARY ☐ NEXT OF KIN

☐ REPRESENTATIVE OF DECEDENT'S ESTATE

☐ DEFERRED ANNUITY



☐ This member is a Dispatcher

PLEASE SELECT BENEFIT TYPE:

☒ NORMAL RETIREMENT Bottom of Form

☐ ACCIDENTAL DISABILITY

☐ TOTAL AND PERMANENT DISABILITY

☐ ORDINARY DISABILITY

☐ SURVIVING SPOUSE ☐ GUARDIAN ☐ CHILD IN SCHOOL

☐ Member was retired

☐ Killed in the line of duty

☐ DESIGNATED BENEFICIARY ☐ NEXT OF KIN

☐ REPRESENTATIVE OF DECEDENT'S ESTATE

☐ DEFERRED ANNUITY

The disability forms are in the retirement spreadsheets. Click the button for the appropriate disability and the spreadsheet will display the forms.

Remember...

- Email a copy of the application to PSPRS
- Within 10 days
- Form P5-EE or C5-EE pages 1 & 2
- Email address – localboards@psprs.com
- Tier 3 DC members can apply for work-related disabilities even within the first 90 days of employment – eligible for work-related disabilities
- Disabilities – PS & CORP – defines each as total and permanent
- Except PS temporary disability – which notes total and temporary

Local Board – First Look

Timely application

- Application received after disabling incident?
- Application received within one year after date of termination?

Medical support

- Is there enough medical information to support the type of disability?
- Can the local board appoint a medical board/independent medical examination (IME)?

Local Board – First Look (cont.)

Eligibility

- Is the condition pre-existing?
- Does the member qualify for a normal retirement?
- If the member qualifies for a normal retirement then ordinary disability is not available
- If the member qualifies for a normal retirement then temporary (PS only) disability is not available

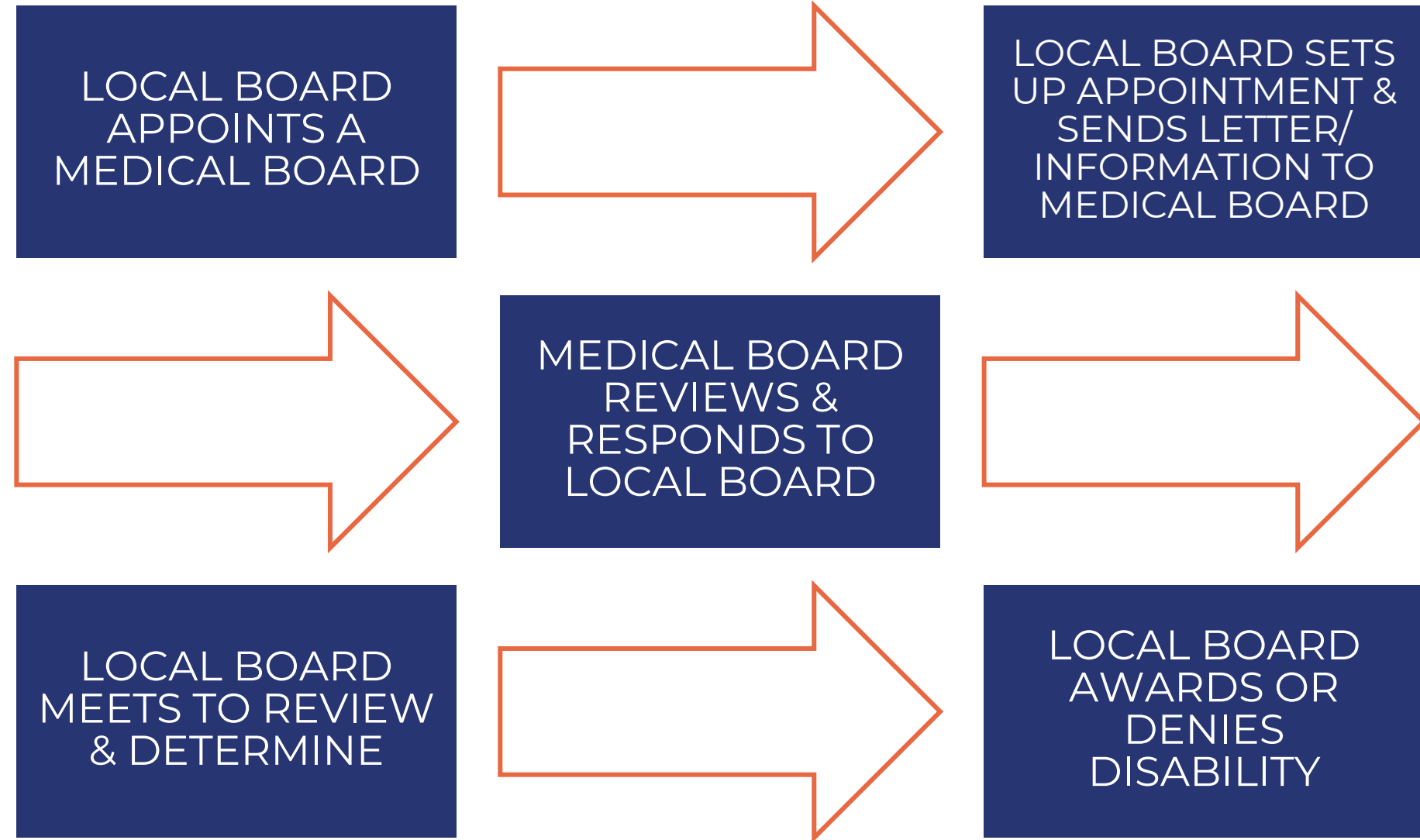
Medical Board

A.R.S. 38-859

- Evaluates member's eligibility for a disability
- A designated physician or physicians working in a clinic
- Other than employer's or member's physician(s) (independent)
- Finding of a disability is based upon medical evidence (IME) reviewed by the physician appointed by the local board
- The appointed physician shall report the results to the local board
- Any conflicts need to be resolved by the local board

Important to Note

- Physician is a medical doctor – either an M.D. or D.O.
- Mental condition – reviewed by an M.D.
- Draft local board minutes with detailed information noting why the board awarded or denied the disability
- Form P5-EE page 2 & C5-EE page 2 – must be signed & dated upon receipt by the local board
- Questionnaire – must be completed by local board & IME doctor – all questions
- Effective first of the month following the member's date of termination/retirement



What is submitted to PSPRS?

For PSPRS

- Form P5-EE pages 1 - 2
- Form P5-LB
- Form P5-LB-(A), (O), (C), (T)
- IME report
- Draft of the local board minutes where disability was discussed & awarded or denied

For CORP

- Form C5-EE pages 1 - 2
- Form C5-LB
- Form C5-LB-(A), (O), (TP)
- IME report
- Draft of the local board minutes where disability was discussed & awarded or denied



Questions, comments and discussion

What questions do you have?





Who to contact:

JOANN LOWEY

jlowey@psprs.com

- Office: 602-255-5575 X3032
- Direct: 602-296-2528
- Work Cell: 602-526-2053

HAROLD GREENE

hgreene@psprs.com

- Office: 602-255-5575 X3033
- Direct: 602-296-2553
- Work Cell: 602-904-2431

