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PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
ELECTED OFFICIALS' RETIREMENT PLAN

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Administration

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Michael Smarik
Deputy Administrator
Bret H. Parke
Assistant Administrator
General Counsel
Mark Steed
Chief Investment Officer

December 16, 2020

The Honorable Doug Ducey, Governor
1700 West Washington
Phoenix, AZ 85007

The Honorable Karen Fann, President of the Senate
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007

The Honorable Russell Bowers, Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

RE: Final Contribution Report Pursuant to A.R.S. § 38-848(T)

Dear Governor Ducey, President Fann, and Speaker Bowers:

In accordance with A.R.S. § 38-848(T), this notification is a report that provides the final contribution rates for FY22 along with additional information required by statute related to the various plans administered by the Public Safety Personnel Retirement System (PSPRS).

PSPRS administers the following plans:

- Public Safety Personnel Retirement System (PSPRS)
- Elected Officials' Retirement Plan (EORP)
- Corrections Officer Retirement Plan (CORP)
- Elected Officials' Defined Contribution Retirement System (EODCRS)
- Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP)

Legislation was passed in 2016 that establishes a new tier of benefits for PSPRS members. PSPRS members first hired on or after July 1, 2017, called Tier 3 members, are required to make an irrevocable choice to participate in either the PSPRS defined benefit (DB) plan, or in the new PSPDCRP. Those who chose to participate in the PSPDCRP make a one-time election of their employee contribution, which can range from 7% to whatever the federal limit is for 401(a) plans. The default employee contribution rate is 9%. They also pay a contribution to a separate Tier 3 disability program.

Final Contribution Rate Report for FY22

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Legislation was passed in 2017 that establishes a new tier of benefits for CORP members, effective July 1, 2018. CORP members, other than judiciary probation and surveillance officers, first hired on or after July 1, 2018 are automatically enrolled in the PSPDCRP. Judiciary probation and surveillance officers are required to make an irrevocable choice to participate in either the CORP DB plan, or in the PSPDCRP. The default employee contribution rate is 7%, but CORP members may elect a contribution rate as low as 5% and as high as the federal limit allows.

The following two tables show final employee and employer contribution rates for all plans at the aggregate level.

Final Employee Contribution Rates—Fiscal Year 2021-22

	PSPRS	EORP	CORP
PSPRS members hired prior to 7/20/11	7.65%		
PSPRS members hired between 7/20/11 and 6/30/17	11.65%		
PSPRS Tier 3 members who choose the DB plan	10.09%		
PSPRS Tier 3 members who choose the PSPDCRP	9.88%		
EORP members hired prior to 7/20/11		7.00%	
EORP members hired between 7/20/11 and 12/31/13		13.00%	
CORP members hired prior to 7/1/18—Dispatchers			7.96%
CORP members hired prior to 7/1/18 – All Others			8.41%
CORP Tier 3 members – DB Plan			10.18%
CORP Tier 3 members – PSPDCRP			7.49%

Final Employer Contribution Rates – Fiscal Year 2021-22

	PSPRS	EORP	CORP
PSPRS Tier 1 and Tier 2 members	56.46%		
PSPRS Tier 3 members	52.62%		
EORP		61.43%	
CORP Tier 1 and Tier 2			31.53%
CORP Tier 3 members			36.66%

The employer contribution rates shown above include normal cost (the cost of providing benefits to members for one year of service) plus the cost of paying off the unfunded liability in each plan. Rates for PSPRS are increasing slightly (generally about 2% of pay), largely due to data clean up and plan experience. Rates for CORP and EORP are largely unchanged even after reflecting the new amortization approach adopted by the Board thanks to data clean up and plan experience.

Should you have any questions about this information, please do not hesitate to contact me.

Respectfully,

Michael Townsend
Administrator, PSPRS

cc: Matt Gress, OSPB Director
Bill Greeney, OSPB Deputy Director
Blake Dodd, OSPB Analyst
Richard Stavneak, JLBC Director
Molly Murphy, JLBC Analyst