



# Local Board Operations and Duties





# Arizona Revised Statute Reference Public Safety

- A.R.S. 38-842 – Definitions – Disabilities, Employment, Retirement
- A.R.S. 38-844 – Retirement & Disability & DROP
- A.R.S. 38-845 – Pension Amount
- A.R.S. 38-846 – Death Benefits (Survivors)
- A.R.S. 38-847 – Local Boards
- A.R.S. 38-849 – Return to Work
- A.R.S. 38-859 – Medical Boards



# Arizona Revised Statute Reference CORP

- A.R.S. 38-881 – Definitions – Disabilities, Employment, Retirement
- A.R.S. 38-886 & 38-886.01 – Disability
- A.R.S. 38-887 – Survivor – Retired Member
- A.R.S. 38-888 – Survivor – Member
- A.R.S. 38-891.01 – Return to Work – ACR
- A.R.S. 38-893 – Local Boards
- A.R.S. 38-904 – Death Benefits



# What is a Local Board and What Does it Do?

- Holds employer-level administrative authority over plan eligibility, disability retirements and line-of-duty-death benefits
- Aims to ensure timely, impartial determination of eligibility and benefits
- Consists of five members
  - Two appointed members
  - Two elected active plan members
  - Chairperson (process varies)
- Members must take oath of office within 10 days, at the start of each term
- Local boards elects a secretary
  - Records meeting minutes
  - Liaison for members, employers and PSPRS



## What is a Local Board and What Does it Do? (cont.)

- New LB members and secretary complete training within 180 days, notify PSPRS once complete
- Training, through PSPRS YouTube channel, covers:
  - Open meeting laws
  - Fiduciary duty and legal review
  - Ethics
- Local boards retain independent legal counsel
- Share fiduciary obligation to system membership and assets
- The local board is an independent entity-political subdivision subject to state law



## What is a Local Board and What Does it Do? (cont.)

- Adopt PSPRS/CORP Model Uniform Rules for resolving disputes
- Notify PSPRS within 10 days of personnel changes
  - Elected and appointed members
  - Secretaries and legal counsel
  - Resignations and resulting vacancies
  - Use LB Member and Employer Information Update Form
- Local boards meet at least twice a year
- Send minutes to PSPRS (email, cert. mail)
- Review the actuarial valuation



# Local Board Duties and Fiduciary Concepts

- Decide member eligibility, disability and line-of-duty death benefits
- Apply all statutory requirements for member eligibility and benefits
- Do not change, subtract from or add to statutory plan benefits
- Use discretion, consider impact on members, beneficiaries and financial status of plan
- Request information from employers and members as necessary
- Make timely decisions under 90-day statutory requirement
- Allow rehearings – Model Uniform Rules for resolving disputes
- Appoint independent medical board with designated physician(s), must be MD
- Use “care, skill and caution,” exercise “good faith” and avoid conflicts of interest

# Hiring Independent Counsel

- Cannot be employed or contracted with the employer
- Cannot be employed or contracted by member organization or member
- Law: “Duty of loyalty only to the board” (ARS 38-847 – PSPRS, ARS 38-893, CORP)
  - Counsel cannot represent member in appeal of LB decision
- LBs must adopt, “at a minimum,” PSPRS/CORP model uniform rules to adjudicate claims and disputes
- Counsel must review model uniform rules
- Adopt procedures to be followed when filing for benefits