



Local Board Retirement Manual

**Public Safety Personnel Retirement System (PSPRS)
& Correction Officers Retirement Plan (CORP)**

October 2018

A manual of instructions, checklists and guidelines for completing normal, survivor, and disability retirements in the Public Safety Personnel Retirement Plan and Corrections Officer Retirement Plan.

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WELCOME!

This Local Board Retirement Manual is made available to Local Boards to answer the many questions you may have regarding processing benefits from PSPRS and/or CORP. Throughout this manual we discuss roles of the PSPRS and CORP local boards by providing general information, retirement checklists, explanation of how to navigate the Electronic (Excel) Spreadsheet, determine how the benefits are calculated, and we also discuss the disability guidelines and process overview.

WHAT IS PSPRS/CORP AND WHY IS IT IMPORTANT TO ME?

Public Safety Personnel Retirement System (PSPRS) is a special retirement system created by the state legislature for certain full-time certified peace officers and fulltime fire fighters in the state of Arizona. The System provides a uniform, consistent and equitable statewide retirement program to these public safety personnel who are regularly assigned to hazardous duty of the type expected of peace officers or fire fighters. The System is designed to meet the special needs of personnel engaged in hazardous duty situations.

The Corrections Officer Retirement Plan is a special retirement plan created by the state legislature for certain full-time state and county detention officers. The Plan provides a uniform, consistent and equitable statewide retirement program to these correctional officers and is designed to meet the special needs of personnel engaged in the prison environment. Correctional officers employed by the State Department of Corrections (DOC) or Youth correctional officers employed by the State Department of Juvenile Corrections (DOJC) are members of the Plan. Certain other designated positions within the DOC or DOJC are also members of the Plan. Please refer to the statutes for a complete listing of these designated positions. Most county detention officers in this state are members of the Plan.

Both retirement Plans are administered by the Public Safety Personnel Retirement System (PSPRS) agency, which is a governmental retirement plan qualified under 401 (a) of the Internal Revenue Code. PSPRS and CORP are agent multiple-employer defined benefit plans where retirement benefits are determined using a formula based on salary and years of service known as a Defined Benefit (DB) Plan; however, PSPRS and CORP also offers a Defined Contribution (DC) Plan in which retirement benefits are determined based on contributions and investment earnings on those contributions.

ROLE OF THE LOCAL BOARD AND THE BOARD OF TRUSTEES

A local board is a five-member board composed of a chairperson and two appointed persons, as well as two persons who are members of the Plan whom are elected by secret ballot election by all contributing members for that employer group. The Local Board must also appoint a Local Board Secretary. The Secretary is responsible for handling all administrative functions for the local board, which includes completing and retaining the minutes of each local board meeting and also has the responsibility for ensuring that all retirement packets are complete prior to submission to the PSPRS Administrative Offices. The Secretary serves as the liaison between the contributing membership and the local board,

as well as between the local board and PSPRS Administrative Office. Each employer group also has their own local board for each of their eligible groups (i.e., police and fire). The local boards have the authority to determine membership eligibility and payment of benefits, including eligibility for receipt of disability payments in accordance with the provisions of the retirement statutes.

The PSPRS Board of Trustees is a nine-member policy making board that has statutory responsibility in investing the monies in the Plan, keeping records for each employee and employer in the Plan and paying out benefits to members. The Board of Trustees employs an Administrator and administrative staff to handle these functions. The administration of the Plan and responsibility for making the provisions of the Plan effective for each employer are vested in a local board that is created by each employer. Although the Board of Trustees receives contributions from each employer and makes payments of benefits 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.

GENERAL RETIREMENT INFORMATION

Definition of Membership Tiers

Once the Local Board determines that an employee meets the qualifications of a PSPRS/CORP member and that they are eligible to participate as a covered member, an employee will be designated as a Tier 1, Tier 2, Tier 3 Defined Benefit (DB) member, OR as a Tier 3 Defined Contribution (DC) member. If designated as a Tier 1, Tier 2, or Tier 3 DB member, retirement benefits are administered by the PSPRS/CORP. If designated as a Tier 3 DC member, retirement benefits are managed through Nationwide Retirement Solutions under a 401(a) Defined Contribution Plan; however, the Tier 3 DC members are also eligible for limited survivor benefits and limited disability benefits administered by PSPRS/CORP.

When utilizing this manual to process retirements and for referencing information, it is important to take note which benefits would apply to an employee based on their Membership Tier.

PSPRS Membership Tiers

Tier 1 Members DB Plan Only	Tier 2 Members DB Plan Only	Tier 3 Members DB Plan + DC Plan
Hired into a PSPRS position before January 1, 2012	Hired into a PSPRS position on/after January 1, 2012	Hired into a PSPRS position on/after July 1, 2017

CORP Membership Tiers

Tier 1 Members DB Plan Only	Tier 2 Members DB Plan Only	Tier 3 Members DB and DC Plans
Hired into a PSPRS position before January 1, 2012	Hired into a PSPRS position on/after January 1, 2012	Hired into a PSPRS position on/after July 1, 2018

Use of Electronic (Excel) Spreadsheets for Retirement Packet Completion

The administration of the plan provisions are vested with local boards and as part of their duties, it is the local board's responsibility to complete all benefit packets with their members. These packets contain the necessary documents and information that the PSPRS Administrative Office will need in order to initiate any benefit payment from the System. To assist local boards in completing packets, the System has created electronic (excel) spreadsheets for benefit processing. These spreadsheets will generate the necessary documents needed to be submitted to the PSPRS Administrative Office based on the benefit that the member or beneficiary is eligible to receive. Following this next section, for illustration purpose, screen prints of the spreadsheet are presented detailing the process to completing the packet.

Navigating and Accessing Excel Spreadsheets

To retrieve the spreadsheets, you will need to access the PSPRS website by following the steps below; however, please check our website on a regular basis for new or updated spreadsheets and forms as periodic and annual changes are made for ease of use, bug fixes, and statutory changes. **Before processing any benefit, please verify that the spreadsheet version being used is the same version that is on the PSPRS website.** The version date can be viewed on the upper right hand corner of the Input sheet/tab within the spreadsheet.

Step 1	Navigate to the PSPRS main website at http://www.psprs.com
Step 2	Select http://www.psprs.com/forms--resources/employers
Step 3	Select the Plan that you will be processing benefits for (Public Safety or Corrections Officer)
Step 4	With your mouse, right-click on the correct spreadsheet. Select "Save Target As" or "Save Link As" (depending on browser). Download the spreadsheet to your computer and set the Excel macro security settings prior to downloading retirement spreadsheets by selecting "Enable Macros." Each time you use this spreadsheet, please verify that the spreadsheet version that you have on your computer is the same version that is on the PSPRS website.
Step 5	After the file downloads, select "Open." Depending on the set macro security level or version of Excel, another security window may appear; be sure to select "Enable Macros." Excel spreadsheet opens and then you may begin the process to enter a member for a normal, survivor, and/or disability retirement.

SCREEN PRINTS DETAILING THE PROCESS TO COMPLETE THE PACKETS

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (Version: 8/1/2017) Normal Retirement - Input Sheet		
When inputting information, input dates in the mm/dd/yy format. Other than the dates, input all numbers with no breaks or special characters (i.e., dashes or parentheses), the computer will format as necessary. Only input in the white spaces.		
TODAY'S DATE:	<input type="text"/>	<input type="text"/>
RETIRE DATE:	<input type="text"/>	<input type="text"/>
Not Applicable	<input type="text"/>	<input type="text"/>
<input type="button" value="Bottom of Form"/>		
PLEASE SELECT BENEFIT TYPE:		
<input checked="" type="radio"/> NORMAL RETIREMENT		
<input type="radio"/> ACCIDENTAL DISABILITY		
<input type="radio"/> ORDINARY DISABILITY		
<input type="radio"/> CATASTROPHIC DISABILITY <input type="checkbox"/> Over 60-months		
<input type="radio"/> TEMPORARY DISABILITY		
<input type="radio"/> SURVIVING SPOUSE <input type="radio"/> GUARDIAN <input type="radio"/> CHILD BENEFIT		
<input type="checkbox"/> Member was retired		
<input type="checkbox"/> Killed in line of duty		
<input type="radio"/> DESIGNATED BENEFICIARY <input type="radio"/> NEXT OF KIN		
<input type="radio"/> REPRESENTATIVE OF DECEDENT'S ESTATE		
<input type="radio"/> DEFERRED ANNUITY		
PERSONAL INFORMATION		
First Name	<input type="text"/>	<input type="text"/>
Middle Name	<input type="text"/>	<input type="text"/>
Last Name	<input type="text"/>	<input type="text"/>
Social Security No.	<input type="text"/>	<input type="text"/>
Sex	<input checked="" type="radio"/> Male <input type="radio"/> Female	
Member Date of Birth	<input type="text"/>	<input type="text"/>
Marital Status	<input type="radio"/> Single <input checked="" type="radio"/> Married	
SPOUSE INFORMATION		
First Name	<input type="text"/>	Date of Birth <input type="text"/>
Middle Name	<input type="text"/>	Social Security No. <input type="text"/>
Last Name	<input type="text"/>	Date of Marriage <input type="text"/>
CONTACT INFORMATION OF MEMBER		
Address 1 <input type="text"/>		
City <input type="text"/> State <input type="text"/> Zip <input type="text"/>		
<input type="button" value="Input"/> <input type="button" value="Form P4-1"/> <input type="button" value="Form P4-2"/> <input type="button" value="Form 8"/>		

Select benefit type (above) and then complete the following sections:

- Today's date
- Retire date
- Personal information
- Spouse information (if applicable)
- Contact information of member

DEPENDENT CHILDREN		<input type="checkbox"/> No Dependents
Child #1 Name		
Date of Birth		
Disabled?		
Child #2 Name		
Date of Birth		
Disabled?		
Child #3 Name		
Date of Birth		
Disabled?		
Child #4 Name		
Date of Birth		
Disabled?		
Child #5 Name		
Date of Birth		
Disabled?		

Enter information for Member's dependents or select No Dependents.

RETIREE EMPLOYMENT INFORMATION			
Current Employer			
Service From:		Not Applicable	
To:		Not Applicable	
Local Board Name			

Compensation			
List total compensation for the highest three consecutive years with the last twenty completed years of credited service.			
Year	Through	Amount	Final Contribution to PSPRS
			Amount
			Service Purchase (not including Transfers)
			Pay Period Ending
			Salary from other PSPRS employer:

Leaves without Pay	
During my period(s) of covered service, I have been on leave of absence without pay for the number of entire pay periods as indicated below: <input type="checkbox"/> NONE	
Missing Pay Periods	Employer

Complete the following sections:

- **Retiree Employment Information**
Service To field will be completed automatically depending on retire date
- **Compensation**
Highest three consecutive years from payroll records, or by using the calculator in the Local Board on-line portal
- **Final Contribution to PSPRS**
- **Leaves without Pay**

Prior Service			
From	Through	Employer	<input type="checkbox"/> NONE
Flat number (years) >>			

Industrial Leave			
During my period(s) of covered service, I have received compensation benefits under the Worker's Compensation Laws of the State of Arizona as indicated below:			
From	Through	Employer	<input type="checkbox"/> NONE

Complete the following sections:

- **Prior Service**
Select None if not applicable
- **Industrial Leave**
Select None if not applicable

PAYMENT INFORMATION	
Payable to	
Payment Method	Direct Deposit 

DIRECT DEPOSIT INFORMATION	
Financial Institution	
Phone Number	

MEMBER'S ACCOUNT INFORMATION	
Bank ABA Routing #	
Account Type	
Bank Account No.	

Complete the following sections:

- Payment Information
- Payment Method
Selection of Direct Deposit is REQUIRED for Form 13 (Direct Deposit) to print
- Direct Deposit Information (if applicable)
- Member's Account Information

Print:

Normal Retirement: Forms P4, 8, P11, P12, P16* & Tax Forms

BENEFICIARY INFORMATION (Last Name, First Name, Middle)					
Beneficiary Type	<input checked="" type="radio"/> Primary	Relationship	<input type="radio"/> Spouse	<input type="radio"/> Child	<input type="radio"/> Parent
Beneficiary Name			<input type="radio"/> Sibling'	<input type="radio"/> Friend	<input type="radio"/> Other
SSN					
Date(s) of Birth					
Address 1			Address 2		
City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member	
Beneficiary Type	<input type="radio"/> Primary <input type="radio"/> Secondary	Relationship			
Beneficiary Name					
SSN					
Date(s) of Birth					
Address 1			Address 2		
City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member	
Beneficiary Type	<input type="radio"/> Primary <input type="radio"/> Secondary	Relationship	<input type="radio"/> Spouse	<input type="radio"/> Child	<input type="radio"/> Parent
Beneficiary Name			<input type="radio"/> Sibling'	<input type="radio"/> Friend	<input type="radio"/> Other
SSN					
Date(s) of Birth					
Address 1			Address 2		
City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member	

Complete the Beneficiary Information Section.
Select Same Info as Member, as applicable

LOCAL BOARD INFORMATION	
FORMS PREPARED BY:	
PHONE NUMBER:	
EMAIL:	
BOARD MEETING DATE:	

Complete the Local Board Information section:

- Enter your name (prepared by), phone number and email address.
- Board Meeting Date (completion of this field is important)
Enter the date your Local Board has met or will meet to approve the benefits.

Top of Form Other Things To Print

Deadlines to submit paperwork

To ensure sufficient time for processing timely payment of benefits, all originals and complete packets must be received by the Board of Trustee's Administrative Office by the 10th of the month in which the retiree/survivor will receive their first payment. For example, if a members last day of work is in July, their retirement becomes effective August 1st and their retirement application must be submitted to the board of trustees no later than August 10th. Information should be double checked for accuracy before submitting as incomplete or inaccurate packets will be returned to the local board for proper completion and will cause a delay in benefit payments.

Local Board Action Prior to Submission

A Local Board meeting must be conducted prior to the submission of the retirement packet in order for our office to make participation or payments effective in our system. A draft copy of local board minutes is required with the submission of all disability retirement packets; otherwise, per statutes, minutes are to be sent to the Administrative office within 20 days of each local board meeting.

Health Insurance Plans Available to Retirees

PSPRS and CORP retirees have options available to them for health care coverage. This section details those options and outlines the Health Insurance Premium (Subsidy).

The first potential available option is if the employer offers an extension of their health care coverage for employees who retire. Health care options under this situation traditionally mirror those offered to the active employees; however, most employers place the responsibility of the entire cost of premium solely on the retiree. If the employer does not extend full health care coverage to their retirees, at minimum they may offer limited coverage under a COBRA plan. For either of these options, the retiree should consult with their Human Resources Representative.

If the retiring member is an employee of the State, they may elect coverage through the Arizona Department of Administration (ADOA); members should consult Human Resources to verify their eligibility.

Finally, all retiring members of the PSPRS and CORP have the option to elect medical and/or dental coverage through the Arizona State Retirement System (ASRS) Retiree Group Insurance Program. Only retired members and surviving spouses are eligible for the ASRS Group Retiree insurance. (An ex-spouse of a retired member is not eligible for the ASRS Group Retiree Insurance program.)

Information packets regarding insurance coverage for ADOA and ASRS plans can be obtained by contacting the offices shown below:

For State Retirees Only

Department of Administration Benefits Office (ADOA)

100 N. 15th Ave. #103, Phoenix, AZ 85007

Phone: (602) 542-5008 or (800) 304 -3687

<https://benefitoptions.az.gov/>

For PSPRS and CORP Retirees

Refer members to contact our office, or visit our website at <http://www.psprs.com/>

Health Insurance Premium Benefit (Subsidy)

The insurance options discussed in this manual are considered qualified insurance options for the Health Insurance Premium Benefit, commonly referred to as insurance subsidy. State statute provides a subsidy to retired members and survivors receiving a monthly retirement pension and who are enrolled in a qualified retiree health insurance program from their employer or the state. The following table is a breakdown of the subsidy amounts available depending if electing single/family coverage and with or without Medicare.

Years of Service	Without Medicare		With Medicare A & B		Retiree & Dependents	
	Retiree Only	Retiree & Dependents	Retiree Only	Retiree & Dependents	Retiree & Dependents One with Medicare, the other(s) without	Retiree & Dependents with Medicare, other dependents without
Corrections Officer Retirement Plan (CORP) Members						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
Public Safety Personnel Retirement System (PSPRS) Members						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00

Note: New provisions regarding health insurance by an employer to survivors of police officers, corrections officers or probation officers killed in the line of duty can be found at A.R.S. § 38-1103.

UNDERSTANDING HOW BENEFIT CALCULATIONS ARE DETERMINED

A member's pension benefit is derived from two separate components, the **Average Monthly Benefit Compensation** (PSPRS) or **Average Monthly Salary** (CORP), plus the result of a member's total years of credited service. When calculating a benefit, local boards can rely on a few different resources in retrieving the necessary information to determine the *Average Monthly Benefit Compensation* or *Salary*, as well as service information.

The first resource should be the employer records. Local boards should set up a process to work with their employer's Payroll and Human Resource Departments in retrieval of salary and service information, including Leave With-Out Pay (LWOP), or Industrial Leave. This should be the primary way in which the boards calculate the average and credited service. The next noted resource should be the records of the PSPRS/CORP, but should be used as reconciliation tool to determine if employer records match the records of the System. To assist in this process, our office has an established secure portal for our local boards to retrieve member contribution information. This portal has the functionality for the board to reconcile their totals against the contribution history for the member. To access the portal, the System must have on

record a contact email for the individual wishing to gain access. Access can only be granted to those approved by the Local Board Secretary.

The next resource is working with the member on retrieving their information via the “Members Only” portal. All active contributing members of PSPRS and CORP have 24/7 access to their contribution information via this portal. The portal also has an estimator tool, which provides an estimated average salary based on the contributions received. However, if contribution information is not correct, then the estimate and retirement date may also be incorrect. Employer payroll records should be used primarily, due to the fact that boards need to reconcile against the member’s contribution history.

Service and Credited Service

Under statutes, PSPRS and CORP have two definitions addressing a member’s time in the Plan. The first definition deals with *Service*. Service is the necessary time a member must have on record to qualify for normal retirement and covers all continuous time from the point of membership until the member’s termination. This time would include any uncompensated period of time such as unpaid Industrial Leave and any other employer approved unpaid leave of absence (LWOP).

Credited service, by definition, is the service time in which the member has contributed to the Plan. Additionally, a member earns credited service with any service purchase or redemption completed by the member. Credited service is the time that is used in the calculation of a member’s pension benefit. By definition, a LWOP is not a "compensated period of service" and, therefore, cannot be considered as credited service for purposes of computing a member's benefit. For purposes of reducing a member’s “credited service,” all local boards need to account for any FULL pay periods in which contributions were not received by the System. Do not record individual days or hours as leave without pay. Any FULL pay period(s) where the member did not receive compensation and PSPRS/CORP did not receive contributions must be noted on the input sheet within the excel spreadsheet so that the time can be subtracted from the member's credited service.

Authorized leaves without pay that are one FULL pay period or more will count toward the service requirement for a Normal Retirement, but will result in a member having less overall credited service.

Average Monthly Compensation (Salary)

In calculating a retiree's average monthly compensation (salary), statutes requires to use an average of the member’s highest consecutive months of compensation (salary) for each Membership Tier. The salary does not have to be calendar years, as well as the considered years of salary include periods of non-paid or partially paid industrial leave and "the compensation the employee would have received in this job classification if the employee was not on industrial leave" should also be included. You will need to ensure that only compensation, as defined in the applicable statutes, is included in this calculation. The following average monthly salary will be used for each Membership Tier as stated below:

PS Membership Tier 1	Highest thirty-six (36) consecutive months of salary within the last 20 years of service.
PS Membership Tier 2	Highest sixty (60) consecutive months of salary within the last 20 years of service.

PS Membership Tier 3 DB Members Only	Highest sixty (60) consecutive months of salary within the last 15 years of service.
CORP Membership Tier 1	Highest thirty-six (36) consecutive months of salary within the last 10 years of service.
CORP Membership Tier 2	Highest sixty (60) consecutive months of salary within the last 10 years of service.
CORP Membership Tier 3 DB Members Only	Highest sixty (60) consecutive months of salary within the last 10 years of service.

OVERVIEW OF FORMS WITHIN THE RETIREMENT PACKET

While each benefit type might have some distinguishing forms unique to that specific benefit, all retirements submitted to the System for processing must include the following types of documents common to all packets:

- Application for Benefit (P4, C4, P5, etc.)
- Retirement Benefit Calculation (P11 or C11)
- Notification of Benefits and Election (P12, C12)
- Return to Work Acknowledgement (P16, C16)
- Beneficiary Designation (P8 and/or P8 DROP for PS enter DROP only)
- Direct Deposit Authorization for Retired Members (Form 13)
- Tax forms (W-4P, A-4P)
- Minutes supporting proper local board action to approve the benefit

Application for Benefit

With the assistance by the local board, an application for benefit (P4, C4, P5, etc.) is submitted by the member or claimant (survivor, guardian) who is seeking a benefit from the Plan. A completed application initiates the determination and paperwork process. Once a local board receives a completed application, a hearing should commence to determine eligibility of benefits. **Note: Statutes require that local boards must commence a hearing within 90-days of an application being submitted for determination.** The application must be completed in its entirety including type of benefit, proper signatures, noted LWOP, retirement date and termination date.

Retirement Benefit Calculation - Form 11

This form provides the details of how the member's benefit is calculated, taking into account all member-specific information entered into the spreadsheet (credited service, average monthly compensation and benefit type). It is important to note that this form requires that the local board indicate the final contribution to be submitted to the PSPRS Administrative Office, so local boards will need to work with their employer payrolls to verify the final contribution amount and the final pay period in which the contribution will be submitted. **If benefit calculations are incorrect when submitted, a corrected Form 12 (described below) with the member's signature, in addition to a new form 11, must be submitted before the first benefit payment can be processed.**

Notification of Benefits and Election - Form 12

This document provides both the local board and the member with the final calculated pension payable based on the benefit the member/beneficiary applied and was approved to receive. Once the spreadsheets is completed, the noted benefit amount on this form will populate. Basic information in this document includes:

- Benefit type
- Date of first payment
- Monthly benefit amount

The member is required to sign and acknowledge acceptance of the benefit in order for payments to commence. Additionally, the local board Chair or Secretary is required to acknowledge approval of payments to commence. Finally, in order for the Administrative Office to begin payments, the local board is required to document the date in which a meeting occurred approving the benefit. Failure to properly meet and approve the benefit could result in delay of initial payment.

Return to Work Acknowledgement - Form 16

When a member retires, it is important for them to understand that statutes set guidelines in which they would be able to return to work with a PSPRS or CORP employer. As part of the retirement packet, this form presents that information to the member for acknowledgement, and this acknowledgement must be included with the completed packet submitted to the PSPRS Administrative Office.

Beneficiary Designation Form - Form 8

Retirement is a critical time for members to update their beneficiary information. Many members are surprised to find who is listed as their beneficiaries (ex-spouses, deceased parents, etc.), so retirees should be encouraged to submit this form along with their retirement application.

Direct Deposit Authorization for Retired Members - Form 13

Benefits are issued either as a physical check (mailed to the retiree's address indicated in the retirement packet), or electronically deposited into a retiree's bank or credit union account by completing Form 13 and attaching a voided check. This office relies on the retiree to provide correct routing and account information for direct deposit and any incorrect information may result in a delay in the deposit. All retirees may view their monthly statement from the Member's Only portal which is accessed at www.psprs.com.

State Tax Withholding Preference Certificate - Form A-4P

In 1989, the Arizona State Legislature passed a law mandating state taxation of a member's retirement pension for 1989 and thereafter. Retirees are responsible for paying state taxes on the amount received. All retirees have a \$2,500 per year tax exclusion. Retirees have several withholding percentage options when completing the form A-4P; please note that our office cannot accept forms that have a flat dollar amount written in. While the system requires completion of the document, withholding of state tax is voluntary.

Federal Tax Withholding Preference Certificate - Form W-4P

With the enactment of the Tax Reform Act of 1986, all or a portion of retirement benefits became taxable under rules established by the IRS. Completion of this form W-4P instructs our office how to withhold federal taxes. Although not required, the retiree may use the IRS-provided worksheet to determine the total number of personal allowances they may wish to claim. If a retiree claims a number of allowances and marital status, they have the ability to request an additional amount for their federal withholding as indicated on line 3 of the form. PSPRS cannot solely withhold a fixed/flat federal amount.

Please note that Federal regulations require withholding based upon married status with three exemptions if a (correctly completed) form is not on file with the PSPRS/CORP.

Local Board Minutes Approving Retirement

The PSPRS Administrative office can only begin benefit payments to members or beneficiaries once the local board has taken official action to approve the benefit. Statutes state that "no later than twenty days after taking action, the local board shall submit to the board of trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and all documents submitted to the local board for the action taken..." and that the minutes are to be sent via certified mail.

If minutes are not being submitted with the benefit packets, the local board's authorization to the Administrative Office to pay retirement benefits is indicated on Form 12. Wherein, the local board Chairman or local board Secretary certifies that the local board "has met and determined that the applicant...is eligible for the benefit payments as shown above." Additionally, Form 12 also includes the date in which the meeting occurred, which authorizes PSPRS/CORP to issue the member or beneficiary's initial benefit payment.

Note: PSPRS internal procedure requires that minutes (even in draft form) be included in any submission of disability retirement packets. Failure to provide the minutes with disability packets may result in a delay of initial payment.

NORMAL RETIREMENT

Qualification

For a member to qualify for a retirement benefit, they must meet the following criteria at the time of termination:

PS Membership Tier 1	<ul style="list-style-type: none">• 20 years of service (no age minimum)• Age 62 with 15 years of service
PS Membership Tier 2	<ul style="list-style-type: none">• Age 52.5 with 15 or more years of service

PS Membership Tier 3 DB Members Only	<ul style="list-style-type: none"> • Early Retirement: Age 52.5 with 15 years of service • Normal Retirement: Age 55 with 15 or more years of service
CORP Membership Tier 1	<ul style="list-style-type: none"> • 20 years of service (Non-Dispatcher) • 25 years of service (Dispatcher) • Age 62 with 10 years of service • Sum of age and years of credited service that equals 80
CORP Membership Tier 2	<ul style="list-style-type: none"> • Age 52.5 with 25 or more years of service • Age 62 with 10 years of service
CORP Membership Tier 3 DB Members Only	<ul style="list-style-type: none"> • Early Retirement: Age 52.5 with 10 years of service • Normal Retirement: Age 55 with 10 years of service

Checklist: Forms and Documentation Required

- Form P4 / C4
- Form 8
- Form P11 / C11
- Form P12 / C12
- Form 13
- Form P16
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Minutes from local board approving retirement
- Copy of member's birth certificate
- If married:
 - Copy of properly filed, legally recorded Marriage Certificate
 - Copy of spouse's Birth Certificate
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (if applicable)
- If Divorced during period of employment:
 - Photocopy of complete Divorce Decree, or
 - Certified copy of Plan-approved Domestic Relations Order

DEFERRED ANNUITY – PSPRS and CORP Tier 1 Members Only

The Deferred Annuity is a lifetime monthly payment that is actuarially calculated based on the total contributions on record for an individual. This benefit is not considered a pension and, as such, is not eligible for increases, survivor benefits, or health insurance benefits/subsidy. A member must have 10

years of credited service on record and must have terminated for reasons other than disability or retirement. Application for annuity cannot be made until the member reaches age 62.

Checklist: Forms and Documentation Required

- Form P4D / C4D
- Deferred Annuity Calculation
- Form P12 / C12
- Form 13
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Minutes from local board approving annuity
- Copy of applicant's Birth Certificate
- If divorced during period of employment:
 - Photocopy of complete Divorce Decree or
 - Certified copy of Plan-approved Domestic Relations Order

Special Note on Deferred Annuity Calculation

Due to the factors used in computing age, credited service time, and total contributions made by the member, the excel retirement spreadsheet must be used. Any leave without pay and industrial leave should be noted and taken into consideration when computing credited service and the annuity benefit when filling in the required fields. It is also very important to note any service purchases as well.

DROP (ENTER) – PSPRS Tier 1 Members Only

Deferred Retirement Option Plan (DROP) is a retirement option for members. A member who participates in DROP defers their retirement for a specified timeframe limited up to 60 months (5 years), but continues active employment as a full-time employee. Their pension benefit is calculated based upon the years of credited service and average monthly compensation at their DROP participation date and then at the end of this specified time up to 60 months (5 years), the member receives a lump sum payment of deferred pension benefits, plus in interest, plus their calculated monthly benefit amount. The decision to participate in DROP is voluntary and irrevocable, as well as the member must have at least 20 years of credited service in order to participate.

If member had 20 or more years of credited service before January 1, 2012: Interest is earned at the System's assumed earnings rate, which is set each fiscal year by the Board of Trustees. During their DROP participation, contributions into the system by both the employee and employer terminate.

If member had less than 20 years of credited service on/after January 1, 2012: Interest is earned at a rate equal to the average annual return used to calculate the “actuarial value of assets,” with a minimum interest of 2% and a maximum of the actuarial assumed earnings rate. Members must continue to contribute to the Plan at the employee rate during their DROP participation. At the end of their DROP participation, as part of the lump sum distribution, the member will receive those contributions made during their participation, plus interest.

Checklist: Forms and Documentation Required

- Form P4 DROP
- Form P8
- Form P8 DROP
- Form P11 DROP
- Form P12 DROP
- Form P16
- Minutes from local board approving DROP participation
- Memorandum of Understanding and Agreement
- Copy of member's Birth Certificate
- If married:
 - Copy of properly filed, legally recorded Marriage Certificate
 - Copy of spouse's Birth Certificate
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (if applicable)
- If divorced during period of employment:
 - Photocopy of complete Divorce Decree or Certified copy of Plan-approved DRO

Special Note on DROP Forms

Application for DROP - Form P4DROP

The *Date of election to participate in DROP* on this form should agree with the *ending service date* on Form P11. The *Day after the election to participate date* is the date when employer and employee contributions to the System cease. Begin calculating the designated period to participate from the effective date of participation in DROP. For example, if a member elects to participate in DROP on August 2, 2015 and selects 6 months as their designated period for DROP participation, their effective date in DROP is September 1, 2015, their first payment will be credited on September 30, 2015 and they must terminate employment and retire on or before February 28, 2016.

The employer must be notified that the member is entering DROP. The local board must set up a chain of command to ensure that an official employer representative signs the bottom of the form. The date of election on the bottom of the form should be identical to the date prescribed at the top of the form.

Beneficiary Designation Form - Form P8DROP

The law states that if the member dies during the DROP period, the designated beneficiary is entitled to receive the DROP account subject to the community property laws of this state. If no designation was made, the estate would get the monies. If a person other than the spouse is listed, under Arizona Community Property Laws, it is important for the member to ensure this notification to their spouse as it is the responsibility of the member to inform their spouse who the designated beneficiary will be.

Notification and Election of Benefits -Form P12DROP

With the completion of the spreadsheet from the Input sheet, the *Date first DROP benefit credited* should be the last day of the next calendar month following the member's election to participate in the DROP. For example, if the member's election into the DROP was on December 23, 2015, the *Date first benefit credited* would be January 31, 2016.

The Local Board Secretary must make sure the DROP applicant initials the election line in the section labeled "Election and Acceptance by Member." Additionally, the member needs to sign the section in the presence of a witness. Ensure the correct *Date last DROP benefit credited* is calculated based upon the member's election to participate in DROP on form P4DROP. The day should be the last day of the calendar month when the member's designated DROP period ends. Note that this amount will be paid on the last business day of the following month.

When all of the forms are completed, the Local Board Secretary will mail the original P12DROP to the board of trustees and retain a copy. Then when a member elects to exit DROP, the local board will use their copy of this form to complete the bottom portion of this form.

Memorandum of Understanding and Agreement

Ensure the DROP applicant initials all of the statements of the MOU and the employer then signs the memo. Provide a copy of the DROP laws to the employee as well as to the employer. This is important for the employer, as they need to adjust their payroll records to terminate employer and employee contributions to the System (if applicable).

RETIRING FROM DROP (EXIT) - PSPRS Tier 1 Members Only

At the end of the 60th month (or prior to that time), the member terminates employment. This is referred to as "retiring from DROP." In other words, the member is now fully retiring from their employer. Local Boards will not need to calculate benefits, as this step has been completed when they entered the DROP. However, local board action will need to occur to initiate pension payments. Monies earned in the DROP account will then be paid as a one-time lump-sum payment and, pursuant to statute, the taxable portion will automatically be rolled to Nationwide and the already taxed portion will be issued to the member at the same time and in the same manner as the pension payment is made; see Special Note below. The member will also begin receiving their previously calculated monthly pension benefit.

Checklist: Forms and Documentation Required

- Form 8 (optional)
- P12DROP (bottom portion should be completed from the local board copy when member entered the program)
- Form 13
- Form PS DROP & CORP Reverse DROP Rollover Acknowledgment
- Form P16
- Special Tax Notice (copy to retiree)
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Minutes from local board approving retirement
- If not previously submitted with DROP application:
 - Copy of member's Birth Certificate
- If married:
 - Copy of properly filed, legally recorded Marriage Certificate
 - Copy of spouse's Birth Certificate
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (If applicable)
- If Divorced during period of employment:
 - Photocopy of complete Divorce Decree or
 - Certified copy of Plan-approved Domestic Relations Order

Special Note on DROP Forms

PS DROP & CORP Reverse DROP Rollover Acknowledgment Form

Timely receipt of this form is essential to process retirement from DROP. There is no 30-day grace period for submission of this form. It must be received with the completed retirement packet. Arizona Revised Statute § 38-844(B) requires the PSPRS to deposit the lump sum distribution to an account created on the member's behalf in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). All taxable funds will be deposited directly to an account administered by Nationwide Retirement Solutions (NRS) through a 401 (a) qualified trustee-to-trustee transfer. Account balances will remain in the NRS Fixed Account until the member selects other investments, withdraws or transfers these funds to another qualified institution.

REVERSE DROP (CORP ONLY) – Tier 1, 2 and 3 Probation and Surveillance DB Members

The purpose of the Reverse Deferred Retirement Option Plan (Reverse DROP) is to add flexibility to the plan and to provide members who elect to participate in Reverse DROP access to a lump sum benefit in addition to their normal monthly retirement benefit upon retirement. Members must be eligible for a normal pension based on their Membership Tier eligibility.

Checklist: Forms and Documentation Required

- Form C4 RDROP
- Form C11 RDROP
- Form C12 RDROP
- Form 13
- PS DROP & CORP Reverse DROP Rollover Acknowledgment
- Form C16
- Special Tax Notice (copy to retiree)
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Memorandum and Understanding and Agreement
- Minutes from local board approving Reverse DROP
- Retirement verification of final contributions to CORP
- Copy of member's Birth Certificate
- If married:
 - Copy of spouse's Birth Certificate
 - Copy of properly filed, legally recorded Marriage Certificate
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (if applicable)
- If divorced during period of employment:
 - Photocopy of complete Divorce Decree, or
 - Certified copy of Plan-approved Domestic Relations Order

Special Note on Reverse DROP Forms

Application for Reverse DROP - Form C4RDROP

The date of election to participate in Reverse DROP should agree with the retirement date. The Reverse DROP date should agree with the ending service date on the Form C11RDROP. The member elects a Reverse DROP date that is the first day of the month immediately following completion of 24 years of credited service (25 years of credited service required for dispatchers) or a date not more than 60 consecutive months before the date the member elects to participate in the Reverse DROP, whichever is later. Any leaves without pay or industrial leaves should be noted and taken into consideration when computing credited service and the Reverse DROP benefit on the Form C11RDROP. Remember that leaves without pay will affect the members credited service amount.

Notification of Reverse DROP Benefits and Election – Form C12RDROP

The *Date first reverse DROP benefit credited* should be the first day of the month following the Reverse DROP date. The *Date last reverse DROP benefit credited* is the first day of the month of retirement. For example:

Date Elected to Participate: 09/30/2013 (this is the retirement date)

Service Dates: 03/15/1979 to 9/30/2013

Reverse DROP Date = 10/01/2008

Date First Reverse DROP Benefit Credited: 10/01/2008

Date Last Reverse DROP Benefit Credited: 09/30/2013

The 60 months the member has chosen to participate in Reverse DROP is not considered in the calculation of the member's monthly benefit amount (shown in the example as 10/1/2008 through 9/30/2013).

Ensure the Reverse DROP applicant initials the election line on the bottom section of the form and then signs the Election and Acceptance in the presence of a witness.

PS DROP & CORP Reverse DROP Rollover Acknowledgment Form

Timely receipt of this form is essential to process retirement from Reverse DROP. There is no 30-day grace period for submission of this form. It must be received with the completed retirement packet. Arizona Revised Statute § 38-844(B) requires the System to deposit the lump sum distribution to an account created on the member's behalf in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). All taxable funds will be deposited directly to an account administered by Nationwide Retirement Solutions (NRS) through a 401 (a) qualified trustee-to-trustee transfer. Account balances will remain in the NRS Fixed Account until the member selects other investments, withdraws or transfers these funds to another qualified institution.

SURVIVOR'S/GUARDIAN'S PENSION

for PSPRS/CORP Tier 1, 2 and Tier 3 DB Members

and PSPRS/CORP Tier 3 DC Members – Line of Duty Death Only

Surviving Spouse: Statute prescribes the following eligibility requirements for a surviving spouse pension:

- a) Surviving spouse of a deceased active (non-retired) member: The applicant must be the legal spouse of the active member on the date of the member's death.
- b) Surviving spouse of a deceased retired member: The applicant must be the legal spouse of the retired member at the time of the member's death and the marriage must have been for a period of at least two consecutive years at the time of the member's death.

The state of Arizona does not recognize common law marriages and so neither does the System. A divorce or annulment in progress at the time of death will not affect the surviving spouse's rights to benefits, unless the divorce has become final prior to the member's death.

Deceased Member's Eligible Children: For any potential child pension to become payable, that child must meet the definition of "Eligible Child" under statutes, which is defined as an unmarried child of a deceased member or retired member who meets one of the following qualifications:

- a) Is under the age of eighteen,
- b) Is at least eighteen years of age and under twenty-three years of age only during any period that the child is a full-time student, or
- c) Is under a disability that began before the child attained twenty-three years of age and remains a dependent of the surviving spouse or guardian.

An eligible child must be biological, or legally adopted by the deceased member; the applicant must supply proof of adoption.

Guardian of Deceased Member's Eligible Children (PSPRS): The applicant must be the legal guardian of the deceased member's "Eligible Child" as defined in statute. A guardian's or conservator pension is payable only if there is no eligible surviving spouse receiving a pension and there is at least one eligible child. However, the guardian would be eligible to receive on behalf of the eligible child the child portion of benefits, regardless of a surviving spouse pension being paid. Once the eligible child reaches the age of 18 and continues to be eligible for the pension, payments are made directly to the child, unless the child is considered disabled as defined in statute.

If there is an eligible surviving spouse and also a separate guardian for the deceased member's eligible children, both will need to complete a separate Form 7 - Application for a Survivor's Benefit and the applications will be processed independently. Again, the guardian will be entitled to only the applicable child's pension as long as a surviving spouse's pension is being paid.

Pursuant to statutes both the guardian/conservator's pension and the child pension terminates if the child is adopted.

Guardian or Custodian of Deceased Member's Eligible Children (CORP): The applicant must be the legally appointed guardian or custodian of the deceased member's "Eligible Child" as defined in statute. Pension benefit paid to a guardian or custodian on behalf of the eligible child, is payable only if there is no eligible surviving spouse receiving benefits and there is at least one eligible child. Pursuant to statutes the Guardian Pension paid on behalf of the eligible child terminates if the child is adopted.

Checklist: Forms and Documentation Required

- Form P7S / C7
- Form 8
- Form P11 / C11
- Form P12 / C12
- Form 13
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)

- Minutes from local board approving survivor's
- Copy of member's Death Certificate
- Copy of survivor's/Guardian's Birth Certificate
- Copy of properly filed, legally recorded Marriage Certificate (if applicable)
- Copy of survivor's/guardian's Social Security Card
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (if applicable)
 - Proof of fulltime school enrollment (if applicable)
 - Proof of legal Guardianship (if applicable)

DEATH BENEFIT – PSPRS & CORP DB Members

The Death Benefit payment is only payable when:

- There are no eligible Surviving Spouse/Guardian/Surviving Child Pensions payable, and
- The member has accumulated contributions remaining in the System at the date of death.

This is a onetime lump sum payment paid to the designated beneficiary as noted by the member. If no such person is survived, then the benefit is payable to the nearest next of kin or estate as determined by the local board.

PSPRS: The lump sum payment is strictly the remaining accumulated member contributions on record at time of death.

CORP: For a member who dies while active or inactive, the lump sum payment payable is equal to two times the member's accumulated contributions on record at time of death. If a member was retired, the beneficiary receives only the remaining contributions on record not yet paid out in pension benefits.

Checklist: Forms and Documentation Required

- Form P7D / C7D
- Form 13
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Form U3 Bene
- Special Tax Notice (copy to Beneficiary)
- Minutes from local board approving death benefit
- Copy of member's Death Certificate
- Certified Personal Representative Letter (if applicable)
- Copy of designated beneficiary's Driver's License
- Copy of designated beneficiary's Social Security Card

Special Note: Lump Sum Distribution Election Form – U3 Bene

The beneficiary may elect to have the payment either paid in a DIRECT ROLLOVER to a qualified "inherited" IRA or paid to them directly, or they may elect both. The beneficiary should review the Special Tax Notice handout for more information. Beneficiaries are not generally subject to the additional 10% tax described in the Special Tax Notice handout, even if they are younger than age 59½. Beneficiaries and Local Board staff are not authorized to sign in place of the Financial Institution Representative, or have the qualified rollover check mailed directly to them as indicated on page 2 of the U3 Bene form.

DISABILITY RETIREMENT

for PSPRS/CORP Tier 1, 2 and 3 DB Members and PSPRS/CORP Tier 3 DC Members (work-related injuries only)

Checklist: Forms and Documentation Required

- Form P5-EE / C5-EE
- Form P5-LB / C5-LB
- Form P5/C5-LB-A, O, T or P5-LB-C (as applicable)
- Form 8
- Form P11D / C11D
- Form P12 / C12
- Form 13
- Form P16 or C16
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Minutes from local board approving retirement
- Medical reports and documentation supporting award of disability
- Copy of member's Birth Certificate
- If married:
 - Copy of properly filed, legally recorded Marriage Certificate
 - Copy of spouse's Birth Certificate
- If eligible children (biological or legally adopted):
 - Copy of children's Birth Certificates
 - Medical documentation for disabled children (if applicable)
- If divorced during period of employment:
 - Photocopy of complete Divorce Decree or
 - Certified copy of Plan-approved Domestic Relations Order

Special Note on Disability Retirement Forms

Application for Disability Retirement - Form P5-EE / C5-EE

Ensure that the member has completely filled out the application (pages 1 & 2) and have signed on page 2 verifying the application is completed. The bottom of page 2 requires an acknowledgement of "received stamp or signature of local board representative and date" be filled in. Remember, the local board must initiate a hearing on a claim within ninety (90) days. The ninety days starts on the date the local board receives the application.

The date of disability should be the date of the member's injury or the date the member's physical or mental condition was first diagnosed as to preclude the member from further employment with the PSPRS or CORP employer.

The member must designate the Type of Disability they are applying for:

ORDINARY DISABILITY (PSPRS and CORP*): A non-job-related physical condition which totally and permanently prevents the member from performing a reasonable range of duties within their department or a non-job-related mental condition which totally and permanently prevents the applicant from engaging in any substantial gainful activity. *This disability is not permitted to PSPRS and CORP Tier 3 DC Members.

ACCIDENTAL DISABILITY (PSPRS and CORP): A job-related physical or mental condition that the local board finds totally and permanently prevents the member from performing a reasonable range of duties within their job classification or department. With regards to CORP, it must be the result of either physical contact with inmates, responding to a confrontational situation with inmates or a job-related motor vehicle accident.

TEMPORARY DISABILITY (PSPRS only): A job-related physical or mental condition which totally and temporarily prevents the member from performing a reasonable range of duties within their department. Temporary disability is limited to those who have not reached normal retirement date, and payments are limited to 12 months.

CATASTROPHIC DISABILITY (PSPRS only): A job-related physical and not a psychological condition that is not an accidental disability which totally and permanently prevents the member from engaging in any gainful employment.

TOTAL AND PERMANENT DISABILITY (CORP only): A physical or mental condition which the local board finds totally and permanently prevents a member from engaging in any gainful employment and which is the direct and proximate result of the member's performance of their duty as an employee of an employer.

The member should provide a brief description of the Nature and Cause of the Disability as well as a listing of all physicians and hospitals which have treated him/her for the disability and three years prior. The member should be encouraged to provide as much medical information as is appropriate to assist the Local Board in making its determination. The Authorizations at the top of page two should give the Local Board and its designated physician access to the member's complete medical history when necessary. It also gives the Local Board and Board of Trustees access to all information related to leave(s) of absence without pay and/or application(s) for and/or receipt of Worker's Compensation Benefits. The member must also confirm that they understand that the Board of Trustees may perform a review of the disability application to ensure that the member and Local Board are in compliance with statutory requirements.

Taxability of Disability Pensions

Ordinary Disability: This pension is considered a fully taxable benefit. Work-related disabilities (Accidental, Temporary, Catastrophic and Total and Permanent) do receive special tax treatment.

Accidental Disability: The first 50% of a member's Average Monthly Benefit Compensation (PSPRS) or Average Monthly Salary (CORP) is considered non-taxable income.

Temporary Disability: Entire pension is considered non-taxable income.

Catastrophic Disability: Entire pension is considered non-taxable income for the first 60 months. If the member's Average Monthly Salary is greater than 62.5% at the 61st month, the pension amount in excess of the 62.5% amount is considered taxable income. If the member's Average Monthly Salary is not greater than 62.5%, the entire pension will remain non-taxable income.

Total and Permanent Disability: The first 50% of a member's Average Monthly Salary is considered non-taxable income.

Local Board Determination for Disability Retirement - Form P5-LB / C5-LB

The Local Board will need to print and complete the disability questionnaire that is selected on the P5-EE disability application. The questionnaire will also need to be completed by the Independent Medical Examination (IME) physician, should the initial application provide the proper medical evidence for the Local Board to appoint a medical board.

Please Note: Should the initial application and medical evidence presented by the member be insufficient to appoint a medical board, and the board takes action to deny the application, that denied application and all information used by the board to render the decision must be forwarded to the PSPRS Administrative Office for review. The System also recommends that the local board send via certified mail a letter to the member notifying them of the local board's decision and their rights for rehearing.

The first section of the P5-LB requires the local board to verify service dates, termination date if applicable, and the current work status of the applicant.

The second section requires the Local Board Chairman or Secretary to complete indicating the action taken by the Local Board.

PSPRS Please note: "Payment of an accidental, catastrophic, or ordinary disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later."

CORP Please Note: "Payment of an accidental disability pension, a total and permanent disability pension, or an ordinary disability pension commences on the first day of the calendar month next following the member's date of retirement." Pursuant to statutes, The Board shall not make a retroactive payment of a pension of a person that is more than one hundred eighty (180) days before the date of the person's application for benefits.

The Local Board must then forward to the Board of Trustees' office, the original P5-EE and required documents, P5-LB, Disability Questionnaire, a copy of the IME, and the Local Board meeting minutes sent via certified mail.

Disability Questionnaires - Form P5/C5-LB-A, P5/C5-LB-T, P5-LB-C, or P5/C5-LB-O

The applicable Disability Questionnaire must be completed by both the Local Board and the Medical Board as appointed by the Local Board.

Medical Reports and Documentation Supporting Award of Disability

Copies of all medical evidence, including the Independent Medical Evaluation considered by the Local Board in reaching its determination on eligibility must be forwarded to the Board of Trustee's Administrative Office for compliance review. The member's application packet should also be included with these documents.

DISABILITY PROCESS OVERVIEW

1. Member files Application for Disability Retirement with the Local Board.
2. PSPRS:
 - a. Accidental, Ordinary or Catastrophic Disability: Local Board sets meeting to determine whether the member has filed the application after the disabling incident or within one year after the date the member ceases to be an employee. A member is eligible for an accidental disability if the member's employment is terminated by reason of accidental disability; an ordinary disability pension if the member's employment is terminated before the member's normal retirement date by reason of ordinary disability; a catastrophic disability pension if the member's employment is terminated by reason of catastrophic disability.
 - b. Temporary Disability: Local Board sets meeting to determine whether the member has terminated employment prior to their normal retirement date by reason of temporary disability.

CORP:

The Local Board sets meeting to determine whether the member either filed the application after the disabling incident or has applied for a disability retirement within one year after the date the member ceases to be an employee. A member is eligible for an accidental or total and permanent disability if their employment was terminated by reason of disability. A member is eligible for an ordinary disability if their employment was terminated by reason of ordinary disability. Additionally, for a dispatcher applying for ordinary disability, the date of disability must have occurred on or after **9/21/2006**. For all other CORP members the date of disability must have occurred on or after **9/26/2008**.

3. If medical evidence and application warrants appointment of the independent medical evaluation (IME), then the Local Board appoints a Medical Board to perform an IME of the applicant.
4. If the initial application and medical evidence presented by the member is insufficient to appoint a medical board, and the board takes action to deny the application, that denied application and all information used by the board to render the decision must be forwarded to the PSPRS Administrative Office for review. The System also recommends that the local board send via certified mail a letter notifying the member of the denial and their rights to rehearing as stated in statute.
5. PSPRS and CORP: If a medical board is appointed, the Local Board forwards a copy of member's P5-EE / C5-EE, Application for Disability Retirement, which includes a medical release authorization for prior treatment records, any documentation providing the medical evaluator with information on description of job duties (i.e. job descriptions) and a copy of the member's medical records to the appointed Medical Board.

For an Ordinary Disability Application:

The Local Board must direct the medical board to complete Form P5-LB-O / C5-LB-O, Ordinary Disability Questionnaire. In addition to the completion of Form P5-LB-O / C5-LB-O, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a) Does the member have a physical condition which totally and permanently prevents him/her from performing a reasonable range of duties within their department? (Please note: Providing the physician with a description of the duties required of PSPRS/CORP covered positions with the particular employer's department should help the physician address this issue.)
- b) Does the member have a mental condition that totally and permanently prevents him from engaging in any substantial gainful activity? In this context, the term "gainful employment" means the capability of performing a moderate amount of work with reasonable regularity without restriction to the type of work performed before the impairment. See Cleland v. CORP 818 P.2d 237; 169 Ariz. 252 (Ariz. App. 1991) and the enclosed memorandum on this subject.
- c) Does the member's disability result from a physical or mental condition or injury that existed or occurred before the member's date of membership in the PSPRS / CORP?

For an Accidental Disability Application:

The Local Board must direct the medical board to complete Form P5/C5-LB-A, Accidental Disability Questionnaire. In addition to completing this form, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the member have a physical or mental condition which totally and permanently prevents him/her from performing a reasonable range of duties within their job classification? (Please note: Providing the physician with a description of the duties required of the position with the particular employer should help the physician address this issue.)
- b. Does the member's disability result from a physical or mental condition or injury that existed or occurred prior to the claimant's date of membership in the PSPRS or CORP?
- c. **PSPRS ONLY:** Was the disabling condition or injury incurred in the performance of claimant's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

CORP ONLY: Was the disabling condition or injury incurred in the performance of the employee's duties and was it the result of any of the following:

- i. Physical contact with inmates, prisoners, parolees or persons on probation.
- ii. Responding to a confrontational situation with inmates, prisoners, parolees or persons on probation.
- iii. A job-related motor vehicle accident while on official business for the claimant's employer. Note that a job-related motor vehicle accident does not include an accident that occurs to or from work, nor does it include the situation where the claimant is found guilty of violating a personnel rule, a rule established by the employer or a state or federal law in connection with the job-related motor vehicle accident.

For a Temporary Disability Application:

The Local Board must direct the Medical Board to complete Form P5-LB-T, Temporary Disability Questionnaire. In addition to completing this form, the Local Board should request the Medical Board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the member have a physical or mental condition which totally and temporarily prevents him/her from performing a reasonable range of duties within their department? Providing the Medical Board with a description of the duties required of police or fire fighters with the particular employer should help the Medical Board address this issue. The anticipated duration of the member's disability to perform a reasonable range of duties should be less than twelve months and should be so stated in the medical evaluation.
- b. Was the disabling injury or condition incurred in the performance of member's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

For a Catastrophic Disability Application:

The Local Board must request the Medical Board to complete Form P5-LB- C, Catastrophic Disability Questionnaire. In addition to the Form P5-LB-C, the Local Board should request the Medical Board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the member have a physical condition which totally and permanently prevents him/her from engaging in any gainful employment?
- b. Does the member's disability result from a physical condition or injury that existed or occurred prior to the member's date of membership in the PSPRS?
- c. Was the disabling condition or injury incurred in the performance of member's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

For a Total and Permanent Disability Application:

The Local Board must direct the medical board to complete Form C5-LB-T, Total and Permanent Disability Application Questionnaire. In addition to completing this form, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a) Does the member have a physical or mental condition which totally and permanently prevents him/her from engaging in any gainful employment? In this context, the term "gainful employment" means the capability of performing a moderate amount of work with reasonable regularity without restriction to the type of work performed before the impairment. See *Cleland v. CORP* 818 P.2d 237; 169 Ariz. 252 (Ariz. App. 1991) and the enclosed memorandum on this subject.
 - b) Does the member's disability result from a physical or mental condition or injury that existed or occurred before the member's date of membership in the CORP?
 - c) Was the disabling condition or injury incurred as a direct and proximate result of the member's performance of their duty as an employee of the employer? Any departmental accident reports or documentation of an on-the-job injury should be provided to the medical board.
6. After receipt of the Medical Board's medical evaluation, the Local Board sets a meeting to further consider the member's application and the Medical Board's report. The Local Board will need to make a determination on eligibility based on the report from the Medical Board. Any motion to approve or disapprove a member's application for disability should include a reference to the Medical Board evaluation upon which the determination is based. A Local Board can consider any medical evidence that the member may want to provide; however, the statutes are clear that an award of disability pension shall be based on the appointed Medical Board's evaluation. Material conflicts in medical evidence shall be resolved by the findings of the Local Board. Disability determinations by the State Comp Fund or other workers' compensation bodies are not binding on the Local Board.
 7. Once an Application for Disability Retirement is approved, the Local Board Chairman or Secretary completes the determination section on the Form P5-LB / C5-LB and forwards it to the Board of Trustee's Administrative Office together with all other completed and required forms (see disability checklist).

The Local Board must also forward copies of all medical evidence including the Independent Medical Evaluation considered by the Local Board in reaching its decision. If conflicts in medical evidence were resolved by the Local Board, the minutes forwarded to the Board of Trustees must explain how such conflicts were resolved.

Statutes provide "No later than twenty days after taking action, the local board shall submit to the Board of Trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and documents supporting the local board's action." Additionally the statutes governing the System's rehearing request rights require that the decisions to be sent via certified mail.

8. The member or the Board of Trustees may request a Rehearing on the Local Board's decision pursuant to statutory provisions.
9. PSPRS:
 - a. Payment of an ordinary or accidental disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later. The last payment shall be made as of the last day of the month in which the death of the retired member occurs, or if disability ceases prior to the member's normal retirement date, the first day of the month in which disability ceases. The monthly ordinary disability pension amount is based on the Membership Tier.
 - b. Payment of a Temporary Disability pension shall commence as of the first day of the month following the date of disability or the expiration of a period during which the member is receiving compensation and sick leave payments, whichever is later. The last payment shall be made as of the first day of the month in which either the death of the member occurs or the Local Board deems the member is no longer under Temporary Disability, whichever occurs first, provided that **NO MORE THAN TWELVE MONTHLY TEMPORARY DISABILITY PAYMENTS** shall be made in total to the member. The monthly temporary disability pension amount is based on the Membership Tier.
 - c. Payment of a Catastrophic Disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later. The last payment shall be made as of the last day of the month in which the death of the retired member occurs, or if the disability ceases because the member has sufficiently recovered and is able to engage in gainful employment. The monthly catastrophic disability pension amount is ninety per cent of the member's average monthly benefit compensation for the first sixty months. Thereafter, the local board shall reevaluate the member. If the member still qualifies for a catastrophic disability, the benefit is based on the Membership Tier.

d. CORP:

- a. Payment of an accidental, total and permanent, or an ordinary disability pension shall commence as of the first day of the month following the member's date of retirement. The effective date of an accidental, total and permanent, or an ordinary disability retirement shall not predate the date of disability or the date the member ceases to be an employee.
- b. Termination of payment of the accidental, total and permanent, or ordinary disability pension occurs at the end of the calendar month in which the event causing the termination occurred. The payment shall be made for the full month of termination. The monthly accidental and total and permanent disability pension amount is equal to fifty per cent of the member's average monthly salary.

10. PSPRS:

Accidental, Ordinary or Catastrophic disability shall be considered to have ceased and a disability pension terminates if the member:

- a. has sufficiently recovered in the opinion of the Local Board, based on medical evidence from a Medical Board appointed by the Local Board, to be able to engage in a reasonable range of duties within his department and the member refuses an offer of employment by an employer in the PSPRS; or
- b. refuses to undergo any medical examination requested by the Local Board (cannot be requested more than once in any calendar year).
- c. The above requirements do not apply after the member who is receiving the disability pension reaches what would have been their normal retirement date.

CORP:

An accidental, total and permanent, or an ordinary disability pension is terminated if the Local Board finds the retired member no longer meets the requirements for disability retirement. During the period between the effective date of an accidental, total and permanent, or an ordinary disability retirement and the date the disabled retired member attains what would have been their normal retirement date, the retired member may undergo periodic re-evaluation of the continuation of disability benefits. If the member refuses to submit to re-evaluation, the Local Board may suspend payment of the pension. If the refusal continues for one year, the Local Board may revoke the accidental, total and permanent, or ordinary disability retired member's right to the pension.

11. PSPRS only:

- a. A member whose catastrophic disability pension is terminated may apply for and if eligible, is entitled to receive an accidental disability pension.
- b. If upon the expiration of a Temporary Disability pension the Local Board finds upon application that the member has an Accidental or Ordinary Disability, the member shall thereupon be eligible for an Accidental or Ordinary Disability pension.

TOTAL AND PERMANENT DISABILITY MEMORANDUM (CORP ONLY)

MEMORANDUM

TO: All Corrections Officer Retirement Plan Members
FROM: The Board of Trustees
DATE: February 15, 2007 (revised September 7, 2012)
RE: Total and Permanent Disability under the Corrections Officer Retirement Plan

Among other things, a member qualifies for disability benefits if he can demonstrate that his physical or mental condition (1) totally and permanently prevents him “from engaging in any gainful employment” and (2) is the direct and proximate result of his job duties. See A.R.S. §38-881 (44). The term “any gainful employment” means the capability of performing a moderate amount of work with reasonable regularity, or more specifically, at least four (4) hours of work (4) days a week for which the claimant earns at least \$300 monthly and/or the minimum hourly wage. “Gainful employment” is not restricted to the type of work performed before impairment, not is it limited to job opportunities actually available and/or located near the claimant’s home.

STRESS DISABILITY LEGAL GUIDELINES (PSPRS ONLY)

Excerpts from the Arizona Court of Appeals Decision in Wills -v- Pima County Public Safety Personnel Retirement Board 154 Ariz. 435 (1987) regarding emotional stress disability applicants:

This decision requires an interpretation of A.R.S. Section 38-842 as it existed in 1970.

38-842. Definitions

In this article, unless the context otherwise requires:

1. "Accidental disability" means a physical or mental condition which, in the judgment of the board, totally and presumably permanently prevents an employee from performing his regularly assigned duties and was incurred in the performance of his duty. A determination of disability shall be based on medical evidence satisfactory to the board.

What did the legislature intend by the words, "incurred in the performance of the employee's duty?" Although "incurred" has many definitions, we believe that in the context of the statute defining "accidental disability" it can only mean "to occur as a result." *Webster's Third New International Dictionary Unabridged, p1146 (1971)*. Therefore, entitlement to an accidental disability pension depends on evidence sufficient to establish a causal relationship between Wills' disability and his duties as a police officer.

Wills' medical expert testified that his job stress contributed to his condition but could not give an opinion as to any degree of contribution.... "We are prevented from re-weighing the evidence, and since there was substantial evidence to support the determination of no causal connection by the retirement board and the trial court, we must affirm...." Wills argues that he is entitled to a disability pension "if (his) work as a police officer aggravates a condition to the extent it

"becomes disabling" and "the statute does not state that a mental or physical condition must be 'caused' by the policeman's work, but says it must be incurred in policeman's work." Wills supports this argument by citing cases involving workers' compensation...."

Workers' compensation is a statutory scheme peculiar to employer/employee relationships which has as its purpose compensation for work-related occurrences without regard to fault. The pension plan involved here is unrelated to workers' compensation and is a fund from which retired police officers are paid benefits after termination of employment and fulfillment of all statutory requirements by the member for the pension, A.R.S. Sections 38-841 and 38-842(19). It provides for payment of benefits before qualifying for normal retirement if a member is accidentally disabled. A.R.S. Section 38-842(1). Although Arizona workers' compensation cases are based on a very liberal interpretation of medical causation in order to entitle a worker to benefits, they are useful in assisting us in our determination that "incurred in the performance of his duty" means proof of a causal relationship between the disability and duties as a police officer. Arizona workers' compensation cases have held that heart-related disabilities allegedly caused by job stress are not compensable unless the job stress was a substantial contributing cause of the heart-related illness. A.R.S. Section 23- 1043.01(a) See also Skyview Cooling Co. -v- Industrial Commission, 142 Ariz. 554, 559, 691 P.2d 320, 325 (App. 1984) (more than insubstantial or slight); Bush -v- Industrial Commission, 136 Ariz. 522, 524, 667 P.2d 222,224 (1983) (requiring a recognizable causal connection showing that the exertions or work of the job precipitated the heart attack): Sloss -v- Industrial Commission, 121 Ariz. 10, 588 P.2d 303 (1978) (exposure to nothing other than the usual, ordinary and expected incidents of a job as highway patrolman is not compensable)....

Causal connection means more than just a contribution factor.... The medical witnesses either could not find any causal connection between Wills' duties as a police officer and his heart condition or found that the job was only an insignificant contributing factor. Therefore, there was sufficient medical evidence to support the finding of the retirement board and the superior court that Wills was not entitled to a permanent disability pension under the provisions of A.R.S. Section 38-842 because his job stress neither caused nor contributed to his heart condition or there was no causal connection between his employment and his heart condition.

DUE PROCESS GUIDELINES FOR DISABILITY REHEARINGS

The interest of an applicant in obtaining a disability benefit, if they meet the qualifications, has generally been held to be a property interest entitled to due process protections, including some form of rehearing right.

A.R.S. Sections 38-847 (PSPRS) and 38-893 (CORP) provide requirements of rehearing rights.

The important aspects of these statutes are: first, the requirement of proper notice to the applicant-board of trustees of the local board's original action; and second, the time period set for applying for a rehearing. The Arizona courts have construed these requirements quite literally.

The basic requirements for an adequate rehearing process are as follows:

1. NOTICE OF OPPORTUNITY FOR REHEARING

- a. Notice of Local Board's Original Action on Application with notification to the applicant of their statutory right to apply for a rehearing within the time period prescribed above. The PSPRS statute requires this notice to be by certified mail or the applicant's attendance at the Local Board meeting at which the action takes place.
- b. Notice to Applicant of Scheduled Rehearing. This notice requirement for a rehearing is intended to insure that the applicant is made fully aware of the time, place and subject matter of the rehearing so as to have a reasonable opportunity to prepare their case. This second notice should also be by certified mail.

2. TRANSCRIPTION OF REHEARING

Because of the likelihood of an adverse decision by the Local Board being challenged through the court system, all rehearing(s) should at least be voice recorded, if not transcribed, to preserve the record for possible appeal. In the event there is not an adequate record preserved of the rehearing, the Arizona courts have tended to grant a trial de novo (a new trial) at the Superior Court level to determine the applicant's eligibility for the disability. With an adequate record of the rehearing proceedings, an applicant can only challenge the Local Board's determination as "arbitrary and capricious"--a difficult legal standard to prove. With a trial de novo, the issue of the applicant's eligibility for the disability is reopened to a trial by judge or jury--a much more expensive proposition for the Local Board. The money spent on transcribing or recording the rehearing can be saved many times over in the event of an appeal to the Superior Court.

3. AN IMPARTIAL DECISION MAKER

Due process requires that Local Board members make their decision on the basis of the medical evidence before them, not on the basis of personal prejudices and information obtained outside the scope of the rehearing. Extraneous personnel information should not be considered in determining the applicant's eligibility for a disability retirement. Any

Local Board member should disqualify himself from the determination if he feels there is any type of conflict of interest.

4. THE RIGHT TO PRESENT EVIDENCE AND ARGUMENT ORALLY

The fact that due process requires that the applicant be allowed a rehearing does not necessarily require a full-scale adversarial quasi-judicial hearing. It may be enough that the applicant has the opportunity to appear before the Local Board to present reasons why they are entitled to the disability retirement. The burden of proof for establishing the disability rests with the applicant.

The PSPRS statute effectively limits the evidence upon which the Local Board can base their determination in disability applications by prescribing "a finding of...disability shall be based on medical evidence by a physician or clinic appointed by the local board pursuant to section 38-847.D.9 which establishes a...disability". These same statutes provide that "material conflicts in medical evidence shall be resolved by the findings of the local board". Therefore, although the Local Board can hear medical evidence from physicians other than the physician appointed by the Local Board, they must base their determination on their designated physician's report.

In some cases, the Local Board will be called on to make the determination of whether or not the disability is service- related. The Local Board can rely on lay information to make this determination if the designated physician does not adequately address the issue.

In a case where the Local Board determines that their designated physician may not have had access to new medical evidence provided at the rehearing by the applicant that may alter the designated physician's opinion regarding the application, the Local Board can determine that the case is a "special case" and refer the new medical information for re- evaluation by the Local Board's designated physician or refer the applicant to a new physician designated by the Local Board pursuant to the statutes.

Disability hearings and rehearing are subject to Arizona's open meeting laws. However, the local boards should review and discuss a member's confidential medical records in executive session only. However, a final decision on a member's entitlement to benefits must be made in an open public meeting. See board of trustees Opinion 1998-2. To allow a member to present their case to the local board in an orderly manner and to prevent the necessity of having to go into executive session numerous times, the member may wish to waive the confidentiality requirements. This waiver is included in the disability application.

5. THE RIGHT TO BE ACCOMPANIED BY COUNSEL

If the applicant chooses to be represented by an attorney at a rehearing, the Local Board should explain to the attorney the nature and procedure of the rehearing, so the attorney will know what to expect and how to prepare their case.

6. THE RIGHT TO HAVE THE DETERMINATION BE BASED SOLELY UPON EVIDENCE ADDUCED AT THE REHEARING

All evidence being considered should be adequately identified during the rehearing--documents by date, title and author, as well as oral testimony. Any evidence not specifically documented in the transcript or record of the rehearing should not be considered in the Local Board's determination.

7. A STATEMENT BY THE LOCAL BOARD OF THE REASONS FOR THEIR DECISION AND THE REHEARING EVIDENCE RELIED UPON FOR THAT PURPOSE

After the determination at the rehearing, the Local Board should again give formal written notice by certified mail to the applicant detailing the Local Board's decision and the evidence relied upon by the Local Board in reaching their decision. The minutes of the rehearing should also include specific findings of the Local Board supporting their decision with a thorough explanation of how the Local Board resolved any conflicts in the medical evidence.

A GUIDE TO PROCESSING AN ACCIDENTAL, CATASTROPHIC OR ORDINARY DISABILITY RETIREMENT

The following letters are intended to be a guide for in processing an accidental, catastrophic or ordinary disability retirement under the Public Safety Personnel Retirement System.

You are free to use or modify these letters and procedures as you wish. They are not intended to supersede any current letters or procedures that you, as the Local Board, may have already implemented. Additionally, the Disability Questionnaires presented in this section are for illustration purposes. Local Boards must ensure that the proper Disability Questionnaire is being utilized in processing each disability type.

STEP I

August 22, 2015

Re: Disability Application - Public Safety Personnel Retirement System

Dear Mr. Smith:

Per your request of this date, I am enclosing an Application for Disability Retirement (Form P5-EE) and the applicable Public Safety Personnel Retirement System statutes pertaining to disability benefits available under the System. Please review the highlighted areas of the statutes provided and if you feel that you are eligible to apply for a disability pension, complete and return the application to my attention at the address above. Please be sure that you indicate on the form the type of disability for which you are applying.

Please be advised that the local board can review and discuss your confidential records only in executive session. However, a final decision on your entitlement to a disability benefit will be made in an open public meeting. To allow you to present your case to the local board in an orderly manner and to prevent the necessity of having to go into executive session numerous times, please complete the Waiver of Confidentiality section on page 2 of Form P5-EE, Application for Disability Retirement.

If you have any further questions regarding the above, do not hesitate to contact me.

Sincerely,

Local Board Secretary

STEP II (Notification to Member to Participate in Medical evaluation)

August 29, 2015

Re: Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Mr. Smith:

The Public Safety Personnel Retirement System Local Board for the City of xxxx has received your Application for Disability Retirement dated August 28, 2015. We have recently requested copies of your medical files from the treating physicians that you listed on your application.

Pursuant to the statutes governing disability applications under the PSPRS, A.R.S. Section 38-859, subsection C, the Local Board requests that you be examined by Dr. Young, a specialist in occupational medicine, in order to provide the Local Board with an independent medical evaluation of your present condition. We have notified Dr. Young of our request and you will need to contact Dr. Young's office at your earliest convenience to set up an appointment for this examination. Costs of this examination will be billed directly to this office.

Dr. Young's office address and telephone number are as follows:

Dr. Young, M.D.
123 East Cortez
Phoenix, Arizona 85008
(602) 296-9229

If you have any questions regarding this matter, do not hesitate to contact me.

Sincerely,

Local Board Secretary

Enclosure

STEP III (Request for Medical Documentation)

September 2, 2015

Dr. Jones, M.D.
Southwest Disabilities
650 Apuwai Place
Tucson, Arizona

Re: Smith - Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Doctor Jones:

Pursuant to the attached Medical Authorization, request is hereby made for copies of any and all information, records, reports and x-rays regarding your past medical treatment of the above-named patient. This person has applied for a medical disability retirement under our retirement program and, by statute, the Local Board is required to base its determination of eligibility on medical information from a physician appointed by the Local Board. In this case, the Local Board has appointed the following physician to examine the applicant:

Dr. Young, M.D.
123 Cortez
Phoenix, Arizona 85008

Please forward the requested medical information at your earliest convenience directly to my attention at 500 East Chandler, Phoenix, Arizona 85014. Please bill any costs associated with making copies of the requested medical information directly to this office.

Sincerely,

Local Board Secretary

Enclosure

STEP IV (Request to Conduct Medical Evaluation)

September 9, 2015

Dr. Young, M.D.
123 Cortez
Phoenix, AZ 85008

Re: Mr. Smith - Disability Application - Public Safety Personnel Retirement System

Dear Doctor Young:

I represent the City of xxxx Public Safety Personnel Retirement System Local Board, a retirement system for city police officers and firefighters.

Mr. Smith, a _____ for the city of xxxx, has recently applied for a medical disability retirement under the Public Safety Personnel Retirement System. On behalf of the Local Board, I hereby request that you conduct a medical evaluation of Mr. Smith in order to determine his eligibility for such a medical disability. Please bill all costs of the evaluation directly to this office at the above address.

I am enclosing a copy of Mr. Smith's Application for Disability Retirement dated August 8, 2015. I will request copies of all prior medical information, records, reports and x-rays relating to Mr. Smith's physical or mental condition and treatment from the physicians he has listed on his disability application and forward this information to you as soon as I receive it.

I am also enclosing a copy of the pertinent statutes relating to Mr. Smith's eligibility for a disability retirement and request that you complete the attached Disability Questionnaire and prepare a written report that specifically addresses the following statutory requirements:

(NOTE: If the member is applying for an ordinary, catastrophic or temporary disability, use the applicable legal standard)

1. Does Mr. Smith have a physical or mental condition which totally and permanently prevents him from performing a reasonable range of duties within the employee's job classification? For your information I am enclosing a copy of the duties which are required of a _____ for the city of xxxx.
2. Do you feel that Mr. Smith's disabling condition or injury was incurred in the performance of Mr. Smith's duty as a _____?

Tony Young, M.D.
September 9, 2015
Page -2-

3. Does Mr. Smith's disability result from a physical condition or injury that existed or occurred before the claimant's date of membership in the PSPRS? For your information, Mr. Smith began employment with the city as a full-time _____ on August 1, 2002.

In your written evaluation of Mr. Smith's condition, feel free to give a narrative of Mr. Smith's past medical history, the incidents leading to his injury for which he seeks medical retirement, and his current medical condition. The Local Board is required by law to base its decision on whether or not to grant Mr. Smith a medical retirement based on medical evidence by a physician appointed by the Local Board. For this reason, it is imperative that you answer the questions posed above and complete and return the enclosed Disability Questionnaire.

I am simultaneously mailing a letter to Mr. Smith instructing him to contact your office at his earliest convenience to set up an appointment to be examined by you.

If you have any questions regarding this matter, do not hesitate to contact me.

Sincerely,

Local Board Secretary

STEP V (Notification of Local Board Meeting)

September 30, 2015

Re: Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Mr. Smith:

Please be advised that the matter of your Application for Disability Retirement, based on a disability related to your back injury, is scheduled to be heard at the next regular meeting of the Local Board scheduled for 1:00 p.m. on October 14, 2015, at city hall, 123 E. North Street, Ocotillo, Arizona. A copy of the notice and the agenda for the meeting is enclosed.

A copy of Doctor Young's medical report, on which the Local Board will base their decision to approve or deny your application, is enclosed for your information. I would estimate that your matter will not be heard prior to 1:30 p.m.

At the hearing, the Local Board will convene in open session to consider your application. In making their determination, the Local Board will consider and discuss the medical evidence as well as other evidence that has been presented to them. Please be advised that the local board will discuss your confidential medical records only in executive session unless you have previously executed a waiver of confidentiality.

At the hearing, you may present any witnesses or evidence that you desire. I request that you submit any additional medical evidence to me as soon as possible so that this evidence can be given to the board members in advance of the meeting.

Although the board members will be supplied all the available medical evidence prior to the hearing, they will not discuss that evidence or meet about it before the meeting. The board members will actually discuss the medical evidence only at the hearing and you may be present during the open meeting discussion.

At the conclusion of the hearing, the board members will vote in open session on whether your Accidental Disability Application should be approved or denied.

If you have any further questions in this matter, please feel free to contact me.

Sincerely,

Local Board Secretary

STEP VI (Denial of Application)

October 15, 2015

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Smith
XXX Street
Phoenix, AZ 85016

RE: Denial of Application for a/an XXXX Disability Retirement
Dear Mr. Smith:

On October 14, 2015 the city of XXX Local Board (the "Local Board") considered your Application for a/an XXX Disability Retirement. The Local Board rendered a decision to deny your application for a/an XXX Disability Retirement, based on **(DETAIL RELEVANT FACTS)**.

Please be advised that pursuant to Arizona Revised Statute § 38-847(H) and (J)/§ 38-893(H) and (J):

H. A claimant or the board of trustees may apply for a rehearing before the local board within the time periods prescribed in this subsection, except that if a decision of a local board violates the internal revenue code or threatens to jeopardize the system's status as a qualified plan under the internal revenue code, no limitation period for the board of trustees to seek a rehearing of a local board decision applies. An application for a rehearing shall be filed in writing with a member of the local board or its secretary within sixty days after:

1. 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.

2. The applicant-board of trustees receives notification of the local board's original action as prescribed by subsection G of this section by certified mail.

J. Decisions of local boards are subject to judicial review pursuant to title 12, chapter 7, article 6.

If you have any questions, please do not hesitate to call me at (xxx)xxx-xxxx.

Respectfully,

Local Board Secretary

cc: Public Safety Personnel Retirement System/Corrections Officers Retirement Pla