

COMMITTEE ON PUBLIC EMPLOYEES, RETIREMENT AND ENTITLEMENT REFORM

Representative Tom Boone, Chairman
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* Strike-Everything Amendment
[E] Emergency Clause
[P 105] Proposition 105 Clause
[P 108] Proposition 108 Clause
[LIV] Line Item Veto

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HB 2110 – Chapter 35 – public retirement plans; federal changes

Makes various technical changes to EORP, CORP, and PSPRS to conform the plans to federal law.

- Mandates that the plan make payments under the regulations of the IRC.
- Instructs that payments of benefits shall not begin any later than April 1, following the year which the member reaches 70.5 years of age or the date the member terminates employment.
- Caps member compensation at \$150,000 from January 1, 1996 through December 31, 2001.
- Caps member compensation at \$200,000 beginning January 1, 2002.
- States that if the compensation is established for a time less than 12 months, the compensation limit for that period of time will equal the dollar limit for the calendar year during which the period of time begins multiplied by time served.
- Authorizes the fund manager to adjust annual compensation limits under IRC regulation.
- Sets forth a maximum annual pension of the lesser of \$90,000 or 100% percent of the member's annual salary for years beginning before 1995.
- Sets forth a maximum annual pension of \$90,000 for years beginning in 1995 and ending before 2002.
- Sets forth a maximum annual pension of \$160,000 for years ending in and after 2002.

HB 2118 – Chapter 36 – ASRS; LTD amendments

Makes omnibus changes to the statutes governing ASRS.

- Requires, in order to be eligible for a Retiree Accumulated Sick Leave (RASL) payment, that an employee or officer:
 - Establish an effective retirement date that is within 31 days after termination of employment.
 - Elect defined retirement benefits within 31 days after termination of employment.
 - Have nonforfeited sick leave time available for use at the time of termination.
- Enables an employee or officer to receive a RASL payment in a lump sum.
- Exempts the Director and all staff employed by the Director from the State Personnel Administration and Personnel Board provisions and the state compensation limitations.
- Stipulates that when an employee of a charter city who later becomes an ASRS member elects to have the employee's service transferred, the service is not credited in the new retirement system until full payment is made for the service credit.
- States that once a transfer is completed a member's rights in the former retirement system are terminated.
- Precludes, beginning January 1, 2010, any salary or wages received from a second employer to be counted toward a member's calculated compensation unless the member works at least 20 weeks per fiscal year and at least 20 hours per week in that second employment.
- Prohibits, beginning January 1, 2010, salary or wages earned by a member for which employer contributions have not been paid from counting towards a member's compensation.

- Permits contributions from a second employer if membership criteria is not met for that employer if the employee has been employed by the second employer between January 2, 2005, and December 31, 2009, and the employee continues or resumes employment for the same employer before January 1, 2012, and the employee does not leave the second employment.

HB 2326 – Chapter 83 – CORP; omnibus amendments

Provides omnibus revisions and clarifications to the CORP.

- Explains that a pension does not include a deferred annuity. Clarifies that CORP is a legal entity that can sue and be sued.
- Requires employers who reemploy retired members to notify CORP within 10 days of re-employment if that member has been re-employed in a designated position.
- Specifies that members who retire with a disability pension may not concurrently participate in a reverse DROP program.
- Limits the payment of a survivor pension to a surviving spouse who was married to a retired member for at least two years. Any surviving spouse of a deceased active or inactive member shall be paid a surviving spouse's pension if married on the date of the member's death.
- Compels a surviving spouse or guardian or conservator to file a written application with the plan to receive a survivor benefit.
- Mandates that local boards be full constituted within 60 days after the employer's effective date of participation in the system. If this deadline is not met, the fund manager may appoint all vacancies and designate the terms of the appointive position.
- Permits the fund manager to refuse to grant relief to a claimant to a benefit or invalidate a decision by the local board if the fund manager believes granting the relief or adhering to the decision will violate the internal revenue code or threaten to impair the system's status as a qualified plan under the internal revenue code.
- Makes the fund manager's refusal to grant relief subject to judicial review.
- Permits the local board to:
 - Prescribe procedures to be followed by claimants in filing applications for benefits.
 - Receive and review the actuarial valuation of the plan for its group of members.
 - Receive and review reports of the financial condition and of the receipts and disbursements of the fund from the fund manager.