

Retirement & Rural Development Committee

Senator Ron Gould, Chairman



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RETIREMENT & RURAL DEVELOPMENT COMMITTEE

LEGISLATION ENACTED

public retirement plans; federal changes (H.B. 2110) – Chapter 35

Conforms the Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan (CORP) and Elected Officials' Retirement Plan (EORP) statutes to the Internal Revenue Code (IRC). Modifies maximum annual pension limitations as indexed for inflation by specific amounts. Caps a member's annual compensation at certain amounts for purposes of benefit calculation and requires that annual compensation limits be adjusted in accordance with the IRC.

Requires an active member who volunteers or is ordered to complete military service to make contributions to receive credit for that period of military service. Increases the number of months of credited service an active military member may receive upon returning to work. Redeemable military service eligibility includes the National Guard.

Decreases the amount of time a PSPRS retiree must wait to return to work.

ASRS; LTD amendments (H.B. 2118) – Chapter 36

Long Term Disability Program

Conforms Long Term Disability (LTD) program definitions to the Arizona State Retirement System (ASRS) defined benefit plan statutes and requires the ASRS Board to determine the employer LTD contribution rate on an annual basis instead of a biennial basis. Specifies that LTD contributions by the employer to the LTD Trust Fund be used for member benefits or to pay for LTD program expenses. Stipulates that ASRS provide a preliminary and final report of each valuation year to the Governor, the Speaker of the House of Representatives and the President of the Senate on the LTD contribution rate for the ensuing fiscal year.

Employer Payment for Ineligible Persons

Requires an employer that employs and makes contributions for a person who does not meet ASRS membership criteria to pay an unfunded liability resulting to ASRS if ASRS or a court determines that ASRS must pay a benefit to the person. Stipulates that if an employer does not remit the unfunded liability to ASRS for including an unauthorized employee in ASRS within 90 days, then the amount owed accrues interest until paid in full. Provides a mechanism to determine the amount in a person's ASRS account, interest and unfunded liability as it pertains to employer payment for ineligible persons.

Dual Employment / Return to Work

Beginning January 1, 2010, precludes 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 and grandfathers an employee who was working less than the required amount of hours anytime between 2005 and 2009 and continues to work until January 1, 2012.

Enables a retired member to immediately receive retirement benefits if the member begins or returns to employment in a position that satisfies certain requirements.

Miscellaneous

Beginning July 1, 2010, requires a member to have five years of service credit in ASRS before initiating a service purchase and stipulates that a member's rights in a former retirement system are terminated once a transfer in service credit is completed from a charter city to a state retirement system. Eliminates the requirement that a member's monthly annuity not exceed 80 percent of that member's average monthly compensation used to calculate a normal retirement benefit. Exempts the Director and all staff employed by the Director from the State Personnel Administration and Personnel Board provisions and the state compensation limitations.

~~accountable health plans; technical correction~~ (NOW: special license plates) (H.B. 2222) – Chapter 44

Creates the Arizona Professional Football Club special plate and the Emergency Medical Services special plate. Redirects monies from the Veterans' Donations Fund subaccount comprising of monies from the Gold Star Family special plate to be used to construct and maintain the Enduring Freedom Memorial in Wesley Bolin Plaza.

~~county offices; business periods~~ (NOW: county operation; management) (H.B. 2236) – Chapter 45 E

An emergency measure, effective July 10, 2009, that modifies statutes governing Arizona counties. Enables the County Employee Merit System Commission (Commission) to appoint hearing officers to conduct hearings and take evidence on behalf of the Commission and specifies the procedural roles and duties of the hearing officer and the Commission related to the hearings. Allows all county boards of supervisors, rather than just those counties with a population exceeding 300,000, to spend their public funds on group health and accident insurance premiums for retired county employees and prohibits the use of state public funds for that purpose. Directs county offices, except for the sheriff's office, to be open for at least 40 hours per week and at least 32 hours per week if there is a legal holiday that week, and allows county offices to set the hours of operation.

CORP; omnibus amendments (H.B. 2326) – Chapter 83

Modifies statute regarding the Corrections Officer Retirement Plan (CORP). Retroactive to January 1, 2009, allows a retired CORP member to return to work in a designated position while still receiving the member's pension payment provided the member returns to work at least 12 months after beginning retirement. Between July 1, 2009, and June 30, 2011, provides a window for certain part-time employees to qualify as members of CORP.

Local Boards

Requires a local board to be fully constituted within 60 days after an employer's effective date of participation in a plan unless certain exceptions apply. Delegates that local boards: a) prescribe procedures for claimants to follow when filing applications for benefits; b) receive and review the actuarial valuation of a plan for members; and c) receive and review reports from the Fund Manager on the financial condition of the fund. Stipulates that CORP employers are required

to pay the fees of the medical board, the local board's independent legal counsel, and other necessary administrative expenses.

Violations Against the Plan

Classifies, as a class 6 felony, knowingly making a false statement or falsification of a record of the plan with the intent to defraud. A person who defrauds the plan or who takes, converts, steals or embezzles money from the plan is subject to prosecutorial and civil actions.

Surviving Spouse and Children

Requires a surviving spouse to have been married for at least two consecutive years to a retired member at the time of the member's death in order to receive a surviving spouse's pension. Specifies conditions for a dependent to receive a surviving child pension.

~~school crossings; signs~~ (NOW: STAN; repayment) (H.B. 2388) – Chapter 105

Requires a city or town to repay monies received from a subaccount of the Statewide Transportation Acceleration Needs Account within 15 years. The requirement to repay within 15 years applies to monies that the city or town receives before, on and after September 30, 2009.

enhanced driver licenses; prohibition (H.B. 2426) – Chapter 143

Prohibits Arizona from participating in the implementation of an Enhanced Driver License (EDL) program to meet the requirements of the federal Western Hemisphere Travel Initiative or the REAL ID Act of 2005. The Arizona Department of Transportation is required to report any attempts to implement EDLs by the U.S. Department of Homeland Security to the Governor and Legislature.