

COMMITTEE ON PUBLIC INSTITUTIONS AND RETIREMENT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2029  
(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Title 38, chapter 5, article 2, Arizona Revised Statutes,  
3 is amended by adding section 38-750, to read:

4 38-750. Transfers out of the system

5 A. IF AN EMPLOYEE HAS MADE AN IRREVOCABLE ELECTION PURSUANT TO SECTION  
6 38-747, SUBSECTION B OR D AND TRANSFERS PARTICIPATION TO ANOTHER DEFINED  
7 BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE WITHOUT A TERMINATION OF  
8 EMPLOYMENT, WITHIN NINETY DAYS AFTER THE DATE OF THE TRANSFER ASRS SHALL  
9 TRANSFER TO THE SUBSEQUENT DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN THE  
10 AMOUNT THE EMPLOYEE PAID FOR THE PURCHASE OF THE CREDITED SERVICE PLUS  
11 INTEREST AS DETERMINED BY ASRS.

12 B. IF THE ASSETS TRANSFERRED FROM ASRS ARE LESS THAN THE COST OF THE  
13 BENEFITS ACCRUED RELATIVE TO THE CREDITED SERVICE AS CALCULATED PURSUANT TO  
14 SECTION 38-922, SUBSECTION B, PARAGRAPH 2, AND UNLESS A LAW OTHERWISE  
15 PROVIDES, THE EMPLOYEE SHALL ELECT EITHER TO PAY THE DIFFERENCE TO THE  
16 SUBSEQUENT DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN OR ACCEPT A REDUCED  
17 AMOUNT OF SERVICE CREDITS. IF THE EMPLOYEE ELECTS TO PAY THE DIFFERENCE, THE  
18 AMOUNT PAID SHALL BE ADDED TO THE EMPLOYEE'S ACCUMULATED CONTRIBUTION ACCOUNT  
19 BALANCE. IF THE EMPLOYEE ELECTS TO ACCEPT A REDUCED AMOUNT OF SERVICE  
20 CREDITS, THE AMOUNT OF SERVICE CREDITS GRANTED SHALL BE EQUAL TO THE AMOUNT  
21 OF SERVICE CREDITS PURCHASED MULTIPLIED BY THE RATIO OF THE AMOUNT OF ASSETS  
22 TRANSFERRED TO THE AMOUNT CALCULATED PURSUANT TO SECTION 38-922, SUBSECTION  
23 B, PARAGRAPH 2.

24 C. THE TRANSFERRED EMPLOYEE AND THE EMPLOYER SHALL COMPLETE THE TERMS  
25 OF THE IRREVOCABLE ELECTION BY MAKING PAYMENTS TO ASRS.

26 D. IF THE EMPLOYEE IS GIVEN AN ELECTION TO TRANSFER TO ANOTHER DEFINED  
27 BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE OR TO REMAIN WITH THE

1 EMPLOYEE'S CURRENT RETIREMENT SYSTEM, ON TERMINATION OF EMPLOYMENT THE  
2 EMPLOYEE SHALL ELECT TO HAVE ASRS:

3 1. PROMPTLY TRANSFER TO THE SUBSEQUENT DEFINED BENEFIT RETIREMENT  
4 SYSTEM OR PLAN THE AMOUNT PAID BY THE EMPLOYEE FOR THE PURCHASE OF CREDITED  
5 SERVICE PLUS INTEREST AS DETERMINED BY ASRS. IF AN UNFUNDED LIABILITY IS  
6 CREATED, SUBSECTION B OF THIS SECTION APPLIES. IF THE EMPLOYEE FAILS TO  
7 ELECT TO HAVE THE ASSETS TRANSFERRED WITHIN THIRTY DAYS AFTER TERMINATION OF  
8 EMPLOYMENT, THE EMPLOYEE IS DEEMED TO HAVE MADE AN ELECTION AS PRESCRIBED IN  
9 PARAGRAPH 2.

10 2. ON WRITTEN REQUEST BY THE EMPLOYEE, PROMPTLY RETURN TO THE EMPLOYEE  
11 THE AMOUNT PAID BY THE EMPLOYEE FOR THE PURCHASE OF CREDITED SERVICE PLUS  
12 INTEREST AS DETERMINED BY ASRS. IF NO APPLICATION IS RECEIVED BY ASRS WITHIN  
13 SIXTY DAYS AFTER TERMINATION OF EMPLOYMENT, ASRS SHALL ISSUE THE PAYMENT  
14 DIRECTLY TO THE EMPLOYEE.

15 E. IF THE EMPLOYEE IS NOT GIVEN AN ELECTION TO TRANSFER TO ANOTHER  
16 DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE OR TO REMAIN WITH THE  
17 EMPLOYEE'S CURRENT RETIREMENT SYSTEM, AFTER TERMINATION OF EMPLOYMENT THE  
18 EMPLOYEE MAY ELECT, WITHIN THIRTY DAYS AFTER TERMINATION OF EMPLOYMENT TO  
19 HAVE ASRS PROMPTLY TRANSFER TO THE SUBSEQUENT DEFINED BENEFIT RETIREMENT  
20 SYSTEM OR PLAN THE AMOUNT PAID BY THE EMPLOYEE FOR THE PURCHASE OF CREDITED  
21 SERVICE PLUS INTEREST AS DETERMINED BY ASRS. IF AN UNFUNDED LIABILITY IS  
22 CREATED, SUBSECTION B OF THIS SECTION APPLIES. IF THE EMPLOYEE FAILS TO MAKE  
23 THE ELECTION UNDER THIS SUBSECTION, ASRS SHALL DEEM THE EMPLOYEE TO BE AN  
24 INACTIVE MEMBER OF ASRS.

25 F. IF AN EMPLOYEE IS GIVEN AN ELECTION TO TRANSFER TO ANOTHER DEFINED  
26 BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE OR TO REMAIN WITH THE  
27 EMPLOYEE'S CURRENT RETIREMENT SYSTEM AND THE EMPLOYEE IS RECEIVING A BENEFIT  
28 PURSUANT TO THIS ARTICLE BASED ON THE EMPLOYEE'S OWN SERVICE OR ARTICLE 2.1  
29 OF THIS CHAPTER, THE EMPLOYEE IS ELIGIBLE TO TRANSFER TO THE RETIREMENT  
30 SYSTEM OR PLAN, BUT THE ELECTION TO TRANSFER TERMINATES THE BENEFIT FROM ASRS  
31 ON THE EFFECTIVE DATE OF THE TRANSFER.

32 G. IF AN EMPLOYEE IS NOT GIVEN AN ELECTION TO TRANSFER TO ANOTHER

1           DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE OR TO REMAIN WITH THE  
2           EMPLOYEE'S CURRENT RETIREMENT SYSTEM AND THE EMPLOYEE IS RECEIVING A BENEFIT  
3           PURSUANT TO THIS ARTICLE BASED ON THE EMPLOYEE'S OWN SERVICE OR ARTICLE 2.1  
4           OF THIS CHAPTER, THE EMPLOYEE IS NOT ELIGIBLE TO TRANSFER TO ANOTHER  
5           RETIREMENT SYSTEM OR PLAN."

6    Renumber to conform

7    Page 14, line 42, strike "sixty" insert "NINETY"

8    Page 15, line 6, after the comma strike remainder of line; strike lines 7 through  
9           15, insert "THE EMPLOYER IS LIABLE FOR ANY UNFUNDED LIABILITY CREATED AS A  
10           RESULT OF ANY SUBSEQUENT TRANSFER OF ASSETS BETWEEN THE RETIREMENT SYSTEMS OR  
11           PLANS. IF THE EMPLOYEE IS TRANSFERRING FROM THE ARIZONA STATE RETIREMENT  
12           SYSTEM, THE TRANSFER SHALL MEET THE REQUIREMENTS OF SECTION 38-750."

13   Amend title to conform

and, as so amended, it do pass

MARIAN A. MCCLURE  
Chairman

2029-pir  
2/4/08  
H:jmb

2029mm  
02/01/2008  
12:09 AM  
C: MO