COMMITTEE ON FINANCE

SENATE AMENDMENTS TO S.B. 1119

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:
   "Section 1. Section 38-743, Arizona Revised Statutes, is amended to read:
   38-743. Public service credit
   A. If an active member of ASRS or a member who is receiving benefits pursuant to section 38-797.07 was previously employed by the United States government, a state, territory, commonwealth, overseas possession or insular area of the United States or a political subdivision of a state, territory, commonwealth, overseas possession or insular area of the United States, excluding any time worked for a prison while the member was incarcerated, the member may receive up to sixty months of credited service for this prior employment if the member pays into ASRS the amount prescribed in subsection B of this section. FOR A MEMBER WHOSE MEMBERSHIP DATE IS ON OR AFTER JULY 20, 2011, THE MEMBER MAY RECEIVE NOT MORE THAN SIXTY MONTHS OF CREDITED SERVICE.
   B. A member who elects to receive credit for service with the United States government, a state, territory, commonwealth, overseas possession or insular area of the United States or a political subdivision of a state, territory, commonwealth, overseas possession or insular area of the United States shall pay to ASRS an amount equal to the present value of the additional benefit that is derived from the purchased credited service using the actuarial assumptions that are approved by the board.
   C. A member who previously was a member of another public employee retirement system and who receives or is eligible to receive retirement benefits from that system for any period of employment is ineligible to receive retirement benefits from ASRS for the same period.
D. IF A MEMBER'S MEMBERSHIP DATE IS ON OR AFTER JULY 1, 2010, THE
member shall have at least five years of credited service in ASRS before
electing to receive credit for service pursuant to this section.

Sec. 2. Section 38-744, Arizona Revised Statutes, is amended to read:

38-744. Leave of absence; credit for leave without pay

A. A member may elect to be credited with service for retirement
purposes for an officially granted leave of absence from employment without
pay if all of the following apply:

1. At the time the absence was granted the member was an active member
of ASRS or a member who was receiving benefits pursuant to section 38-797.07.

2. At the time the credit is requested the member is an active member
of ASRS, receiving benefits pursuant to section 38-797.07 or a former active
member of ASRS who has not withdrawn contributions from ASRS pursuant to
section 38-740 and who was unable to resume employment because a position is
not available.

3. The member returns to employment with the same employer, unless
employment could not be resumed because of disability or a position was not
available.

4. The member elects not more than one year of the leave and not more
than a total of sixty months, FOR A MEMBER WHOSE MEMBERSHIP DATE IS ON OR
AFTER JULY 20, 2011, NOT MORE THAN SIXTY MONTHS OF CREDITED SERVICE pursuant
to this section.

5. The member pays the amount provided in subsection B of this
section.

6. The member's employer has certified that the leave of absence
benefits or is in the best interests of the employer.

B. A member who elects to be credited with a leave period as provided
in subsection A of this section shall pay to ASRS an amount equal to the
present value of the additional benefit that is derived from the purchased
credited service using the actuarial assumptions that are approved by the
board.
C. A member who previously was a member of another public employee retirement system and who receives or is eligible to receive a retirement benefit from that system for any period of employment is ineligible to receive retirement benefits from ASRS for the same period.

D. If a member's membership date is on or after July 1, 2010, the member shall have at least five years of credited service in ASRS before electing to receive credit for service pursuant to this section.

E. For the purposes of subsection A of this section, each employer shall adopt rules establishing guidelines for a leave of absence that benefits or is in the best interests of the employer.

Sec. 3. Section 38-745, Arizona Revised Statutes, is amended to read:

38-745. Credit for military service

A. An active member of ASRS or a member who is receiving benefits pursuant to section 38-797.07 may purchase up to sixty months of credited service in ASRS for active military service if all of the following apply:

1. The member was honorably separated from the military service.
2. The member submits a copy of the member's military service record (DD-214) or its equivalent with the member's application for military service credit.

3. A member has if a member's membership date is on or after July 1, 2010, the member must have at least five years of credited service in ASRS.

4. Except as provided by 10 United States Code section 12736, the member is not yet eligible for a military retirement benefit.

B. For a member whose membership date is on or after July 20, 2011, the member may purchase not more than sixty months of credited service pursuant to subsection A of this section.

C. The cost to purchase military service credit is an amount equal to the present value of the additional benefit that is derived from the purchased credited service using the actuarial assumptions that are approved by the board.

D. An active member of ASRS who is called to active military service may receive credited service for not more than sixty months of active
military service, except as provided by the uniformed services employment and reemployment rights act (38 United States Code section 4312(c)). The member's employer shall make employer contributions and member contributions for the member if the member meets the following requirements:

1. Was an active member of ASRS on the day before the member began active military service.

2. Is a member of the Arizona national guard or is a member of the reserves of any military establishment of the United States.

3. Volunteers or is ordered into active military service of the United States as part of a military call-up.

4. One of the following occurs:
   (a) Is honorably separated from active military service and returns to employment for the same employer from which the member left for active military service within ninety days after the date active military service is terminated.
   (b) Is hospitalized as a result of military service and returns to employment for the same employer from which the member left for active military service within ninety days after release from service related hospitalization.
   (c) Becomes a person with a disability as a result of or during the military service and is unable to return to the same employer.
   (d) Dies as a result of or during the military service.

D. E. Contributions made pursuant to subsection C—D of this section shall be for the period of time beginning on the date the member began active military service and ending on the later of one of the following dates:

1. The date the member returns to employment or the date the member should have returned to employment pursuant to 20 Code of Federal Regulations section 1002.115, whichever date is earlier.

2. The date the member is released from service related hospitalization or two years after initiation of service related hospitalization, whichever date is earlier.

3. One year after the date of disability.
4. The date the member dies as a result of or during active military service.

   E. Notwithstanding any other law, on payment of the contributions made pursuant to subsection D of this section, the member shall be credited with service for retirement purposes for the period of time of active military service of not more than sixty months.

   F. The employer shall make contributions pursuant to subsection D of this section as follows:

   1. Contributions shall be based on the compensation that a member would have received but for the period that the member was ordered into active military service.

   2. If the employer cannot reasonably determine a member's rate of compensation for the period that the member was ordered into active military service, the employer shall make contributions based on the member's average rate of compensation during the twelve-month period immediately preceding the period of active military service.

   3. If a member has been employed less than twelve months before being ordered into active military service, the employer shall make contributions based on the employment period immediately preceding the period of active military service.

   4. Employer contributions shall be made in a lump sum and without penalty when the member returns to employment, when it is determined that the member is unable to return to employment because of a disability as a result of or that occurred during military service or on receipt of the member's death certificate. If a member suffers a service related death, the employer shall make the employer and member contributions up to and including the date of the member's death. Death benefits shall be calculated as prescribed by law.

   G. In computing the length of total credited service of a member for the purpose of determining retirement benefits or eligibility, the period of military service, as prescribed by this section, shall be included.
H.  I.  Notwithstanding any other law, the member is not required to reimburse the member's employer or ASRS for any contribution made pursuant to subsection C–D of this section.

J.  In addition to, but not in duplication of, the provisions of subsection C–D of this section, contributions, benefits and credited service provided pursuant to this section shall be provided in accordance with section 414(u) of the internal revenue code.

K.  A member who does not currently perform services for an employer by reason of qualified military service, as that term is defined in section 414(u) of the internal revenue code, and who is receiving differential wage payments, as that term is defined in section 3401(h)(2) of the internal revenue code, shall not be considered as having a severance from employment for all purposes under ASRS during the period the differential wages are being paid by the employer to the employee."

Amend title to conform