



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

FINAL REVISED
FACT SHEET FOR H.B. 2643

PSPRS; CORP; EORP; administrative changes

Purpose

Specifies administrative changes to PSPRS and CORP regarding the alternate contribution rate, fire district local board membership and election or appointment of an elected official after retirement.

Background

A.R.S. § 38-843.05 states that an employer shall pay contributions at an alternate contribution rate on behalf of a retired member who returns to work in any capacity in a position ordinarily filled by an employee of the employer of an eligible group, unless the retired member is required to participate in another state retirement system and the retired member returned to work before July 20, 2011.

A.R.S. § 38-849 states that if a PSPRS retired member becomes reemployed in any capacity by the employer from which the member retired before one year from the date of retirement or in the same position at any time following retirement, employee contributions shall not be made on the retired member's account, nor shall any service be credited during the period of reemployment.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that the alternate contribution rate for a PSPRS or CORP employer shall be equal to that portion of the *individual employer's* total required contribution that is applied to the amortization of the unfunded actuarial liability for the fiscal year.
2. Changes the membership of a fire district PSPRS local board by replacing the secretary-treasurer with the chairperson of the fire district board or the chairperson's designee.
3. Specifies that a PSPRS or CORP member who retires having met all of the qualifications for retirement and who subsequently becomes an elected official, by election or appointment, is not considered reemployed by the same employer.
4. Includes technical and conforming changes.

5. Becomes effective on the general effective date.

House Action

GHE 2/18/16 DPA 9-0-0
3rd Read 3/2/16 58-0-2

Senate Action

FIN 3/16/16 DP 4-0-1
3rd Read 5/7/16 28-0-2

Signed by the Governor 5/17/16
Chapter 323

Prepared by Senate Research
June 14, 2016
CS/lis