



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.C.R. 1019

public retirement system benefits

Purpose

Subject to voter approval, amends the pension clause of the Arizona Constitution to provide an exception for certain adjustments to the Public Safety Personnel Retirement System (PSPRS).

Background

PSPRS is a special retirement system created by the Legislature for certain full-time certified peace officers and full-time firefighters in the state of Arizona. The System provides a uniform, consistent and equitable statewide retirement program to these public safety personnel who are regularly assigned to hazardous duty of the type expected of peace officers or fire fighters. The System is designed to meet the special needs of personnel engaged in hazardous duty situations.

PSPRS is a governmental retirement plan qualified under 401 (a) of the Internal Revenue Code. It is a *defined benefit plan*, which means the pension is determined by a formula, rather than by the amount of money in the member's account. In addition, PSPRS is known as an agent multiple-employer retirement plan. Separate accounts are kept for each employer in the system. Monies in the entire system are pooled for investment purposes, but benefits and refunds are paid for by each employer only from the employer's separate account in the PSPRS.

There is no anticipated impact to the state General Fund associated with passage of this resolution.

Provisions

1. Provides an exception to the prohibition against diminishment or impairment of benefits. The stated exception is certain adjustments to PSPRS that are provided in S.B. 1428, as enacted by the 52nd Legislature, Second Regular Session.
2. Provides that this modification to the pension clause does not restrict the Legislature's ability to modify public retirement system benefits for prospective members.
3. Requires the Secretary of State to submit the proposition to the voters at a special election to be held for that purpose on May 17, 2016.
4. Contains technical and clarifying changes.

5. Becomes effective if approved by the voters and on proclamation of the Governor.

Amendments Adopted by Committee

- Makes technical changes.

Senate Action

FIN 2/3/16 DPA 5-0-0

Prepared by Senate Research

February 3, 2016

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