

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 218
SENATE BILL 1082

AN ACT

AMENDING SECTION 38-715, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA
STATE RETIREMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-715, Arizona Revised Statutes, is amended to
3 read:

4 38-715. Director; powers and duties

5 A. The board shall appoint a director. The director shall serve at
6 the pleasure of the board.

7 B. The director shall appoint a deputy director and assistant
8 directors with the approval of the board.

9 C. The director, under the supervision of the board, shall:

10 1. Administer this article.

11 2. Be responsible for the recruitment, hiring and day-to-day
12 management of employees.

13 3. Prescribe procedures to be followed by members and their
14 beneficiaries in filing applications for benefits.

15 4. Prescribe procedures to be followed by employers for remitting data
16 and monies to ASRS and for receiving data and monies from ASRS.

17 5. Be responsible for:

18 (a) Income and the collection of income and the accuracy of all
19 expenditures.

20 (b) Maintaining books and maintaining and processing records of ASRS.

21 (c) Providing continuing education programs for the board to keep the
22 board members informed of current issues and information needed to carry out
23 their duties.

24 6. Perform additional powers and duties as may be prescribed by the
25 board and delegated to the director.

26 D. The director, under the supervision and approval of the board, may:

27 1. Delegate duties and responsibilities to such state departments as
28 the director deems feasible and desirable to administer this article.

29 2. Appoint a custodian for the safekeeping of all investments owned by
30 ASRS and register stocks, bonds and other investments in the name of a
31 nominee.

32 3. Establish one or more reserve holding accounts, into which the
33 board shall close periodically the account balances of inactive accounts. If
34 any person files a claim and furnishes proof of ownership of any amounts in
35 any inactive account, the claim shall be paid from the reserve holding
36 account on the same basis as if no action had been taken under this
37 paragraph. Interest and supplemental credits shall be allocated to each
38 reserve holding account on June 30 of each year, as determined by the
39 board. For the purposes of this paragraph, "inactive account" means an
40 account to which contributions have not been paid for six months or more.

41 4. Make retirement under this article effective retroactively to on or
42 after the day following the date employment is terminated if the member was
43 unable to apply before the retroactive effective date through no fault of the
44 member.

45 E. FOR CURRENT OR PROSPECTIVE EMPLOYEES OF ASRS, THE DIRECTOR, UNDER
46 THE SUPERVISION OF THE BOARD, MAY:

1 1. CONDUCT CRIMINAL RECORDS CHECKS. THE DIRECTOR MAY REQUIRE A
2 CURRENT OR PROSPECTIVE EMPLOYEE TO SUBMIT A FULL SET OF FINGERPRINTS TO THE
3 DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL
4 CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544.
5 THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE
6 FEDERAL BUREAU OF INVESTIGATION.

7 2. CONDUCT CREDIT CHECKS FOR ACCOUNTING, INVESTMENT AND OTHER
8 FINANCE-RELATED POSITIONS. THE DIRECTOR SHALL ESTABLISH A POLICY FOR
9 CONDUCTING CREDIT CHECKS ON A CURRENT EMPLOYEE THAT INCLUDES THE METHOD FOR
10 DETERMINING WHEN A CREDIT CHECK MAY BE CONDUCTED, RETAINING RECORDS RELATING
11 TO THE REASON FOR THE CREDIT CHECK AND NOTIFYING AN EMPLOYEE OF THE CREDIT
12 CHECK AND THE RESULT OF THE CREDIT CHECK.

13 ~~F.~~ F. The director, under supervision of the governing committee for
14 tax deferred annuity and deferred compensation plans, may hire and supervise
15 employees and obtain services the director deems necessary to administer
16 article 5 of this chapter. The tax deferred annuity and deferred
17 compensation programs established pursuant to article 5 of this chapter shall
18 bear the costs for these employees and services.

19 ~~F.~~ G. The director and all persons employed by the director are
20 subject to section 38-611 and title 41, chapter 4, article 4.

21 ~~G.~~ H. In consultation with the director of the department of
22 administration, the board may enter into employment agreements and establish
23 the terms of those agreements with persons holding any of the following ASRS
24 positions:

- 25 1. Director.
- 26 2. Deputy director.
- 27 3. Chief investment officer.
- 28 4. Fiduciary or investment counsel.

APPROVED BY THE GOVERNOR APRIL 24, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2014.