

REFERENCE TITLE: PSPRS; deferred retirement option plan

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1268

Introduced by
Senator Livingston

AN ACT

AMENDING SECTION 38-844.03, ARIZONA REVISED STATUTES; RELATING TO THE
PUBLIC SAFETY PERSONNEL 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 38-844.03, Arizona Revised Statutes, is amended
3 to read:

4 38-844.03. Eligibility; participation

5 A. Any member who is eligible for a normal pension pursuant to
6 section 38-844, subsection A, who becomes a member of the system before
7 January 1, 2012 and who has at least twenty years of credited service is
8 eligible to participate in the deferred retirement option plan. In
9 addition, any member who is subject to section 38-858, subsection C is
10 eligible to participate in the deferred retirement option plan retroactive
11 to the member's twentieth year of credited service or on the day before
12 the member began military service, whichever is later, if the member makes
13 the election pursuant to this section on or before resuming employment
14 with the member's employer.

15 B. A member who elects to participate in the deferred retirement
16 option plan shall voluntarily and irrevocably:

17 1. Designate a period of participation that is not more than ~~sixty~~
18 EIGHTY-FOUR consecutive months.

19 2. Beginning on the date the member elects to participate in the
20 deferred retirement option plan, cease to accrue benefits under any other
21 provision of this article. The member's effective date of participation
22 is the first day of the month following the date the member elects to
23 participate.

24 3. Have deferred retirement option plan benefits credited to a
25 deferred retirement option plan participation account pursuant to section
26 38-844.05.

27 4. Receive benefits from the system on termination of employment at
28 the same time and in the same manner as otherwise prescribed in this
29 article.

30 5. Agree to terminate employment on completion of the deferred
31 retirement option plan participation period designated by the member on
32 the appropriate deferred retirement option plan participation form.

33 C. If a member fails to terminate employment on completion of the
34 designated deferred retirement option plan participation period:

35 1. The member is not entitled to the interest accumulation on the
36 deferred retirement option plan participation account.

37 2. The deferred retirement option plan participation account shall
38 not be credited with the monthly amount prescribed in section 38-844.05,
39 subsection C, paragraph 1 and that amount shall not be paid directly to
40 the member.

41 3. The payment prescribed in section 38-844.08, subsection A,
42 paragraph 1 shall not be paid until the member terminates employment and
43 is payable at the same time as the pension amount is paid on retirement.

44 4. The member does not acquire any further credited service in the
45 system.