



Arizona State Senate

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Press Release

Tuesday, April 18, 2017
FOR IMMEDIATE RELEASE



Governor signs bill to repair pension plan for corrections officers

(Phoenix, State Capitol) --- Governor Ducey has signed SB 1442, a bill sponsored by Senator Debbie Lesko that repairs and reforms Arizona's Corrections Officer Retirement Plan (CORP). The pension plan is currently broken, funded at only 53%. In the past 15 years, the employer contribution rate has grown from 3.2% to 18.2%, a 600 percent increase!

"Something needed to be done to fix CORP. I gathered those impacted by the pension plan, to explore potential actions to address the flaws. This effort now repairs structural flaws, provides certainty to retirees, and has the support of employees, labor organizations and retirees," said Senator Lesko.

The current pension plan uses a Permanent Benefit Increase (PBI), which experts have concluded has a systemic flaw, that decreases funding, threatening its solvency. SB 1442 and its accompanying constitutional amendment (SCR 1023) replaces the broken PBI with a predictable, pre-funded Cost of Living Adjustment (COLA). This adjustment follows inflation with a 2% cap and provides certainty of retirees.

"I am grateful for the Senators and Representatives supporting this bill and for the Governor signing it", said Senator Lesko. "This reform protects the promises made to current members of the plan while providing sustainable reforms for new members."

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