



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

House: WM DP 10-0-0-0

HB 2015: retirement plans; plan election; rehire
Sponsor: Representative Livingston, LD 28
Caucus & COW

Overview

Allows rehired Public Safety Personnel Retirement System (PSPRS) members to make new retirement benefit plan elections within 90 days after their date of hire.

History

Statute states that any election made under this section is irrevocable and is the employee's election for the remainder of the employee's employment with any employer under the system, regardless of whether the employee's employment is continuous. ([A.R.S. § 38-842.01](#))

Additionally, since PSPRS had historically been only a defined benefit plan, it was not known if the Internal Revenue Service (IRS) would allow for a member to transfer from one type of plan to another when there are changes in employment. To ensure that the PSPRS tax exempt status was not put at risk, the statutory language, as stated above, was written as an irrevocable election. The IRS has since clarified that members are allowed to make a new plan selection if there is a legitimate separation of service or a change in employers.

Provisions

1. Allows a rehired employee in compliance with [A.R.S. § 38-843.05](#) to make a new election before the 90th day after the date of hire. (Sec. 1)
2. Provides that if an employee does not make a new election within 90 days, the employee's previous election will continue. (Sec. 1, 3)
3. Removes specification regarding the corrections office retirement plan. (Sec. 2)
4. Allows a rehired employee in compliance with [A.R.S. § 38-891.01](#) to make a new election before the 90th day after the date of hire. (Sec. 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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