



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

House: WM DP 8-0-0-1 | 3rd Read DP 58-0-2-0-0

HB 2080: public retirement systems; administration

Sponsor: Representative Blackman, LD 7

House Engrossed

Overview

Specifies eligibility for the Elected Officials Defined Contribution Retirement Disability Program, alters the limiting factors to members receiving pension payments, allows the board of trustees (board) of the Public Safety Personnel Retirement System (PSPRS) to invest in *stocks acquired as an investment in any commingled investment* and expands eligible groups for defined contribution plans to include the State elected officials who were subject to term limits and exempt state officers and employees who elected to participate in the defined contribution retirement plan.

History

Under the Elected Officials Defined Contribution Retirement System (EODCRS) members can receive benefits is the member develops a total disability ([A.R.S. § 38-833](#)).

The board of PSPRS has the power to invest and reinvest, alter and change monies accumulated under PSPRS and other retirement plans and trusts the board administers. When making investments the board is limited to corporate stocks and exchange traded funds with the exception of bank stocks, insurance stocks, stocks acquired for coinvestment in connection with the system's or the plans' or trusts' commingled investments and interests in limited liability companies and mutual funds ([A.R.S. § 38-848](#)).

PSPRS currently restricts the pensions of members who became reemployed by the same employer before six months after their date of retirement and to those who become reemployed by the same employer to the same position at any time. The restriction: 1) requires the board to advise PSPRS in writing of the retired members reemployment, 2) prevents the PSPRS from making pension payments during the period of reemployment, 3) prevents the reemployed member from making employee contributions or receive service credit during time of reemployment, and 4) allows for the repayment of pension payments to PSPRS if a retired member who became reemployed during the six month period received payments while reemployed ([A.R.S. § 38-849](#)).

The Corrections Officers Retirement Plan (CORP) restricts the pensions of members who became reemployed by the same employer before six months after their date of retirement. The restriction: 1) suspends payment of the retired members pension until the retired member ends their employment with the amount of pension not changing on account of service as an employee after retirement, 2) prevents the retired member from contributing to the fund and from accruing credited service, 3) allows for the repayment of pension payments to CORP if a retired member who became reemployed during the six month period received payments while reemployed, and 4) allows retired members who are reemployed before six

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months after retirement and who terminates their employment to be reemployed again with the same employer in a designated position and to resume receiving pension payments after a six month period, less the period of time the retired member was not reemployed by the employer, if at least sixty days of the six month period were consecutive ([A.R.S. § 38-884](#)).

Provisions

Elected Officials' Defined Contribution Retirement System

1. Replaces *plan* with *system*. (Sec. 1)
2. Specifies that members who are not an active, inactive, or retired member of the elected officials' retirement plan or a member of the elected officials' retirement plan with a disability are able to receive benefits if the member develops a total disability. (Sec. 1)

Public Safety Retirement System

3. Adds *stocks acquired as an investment in any commingled investment* as an exception to the restriction of board investments to stocks and exchange traded funds. (Sec. 2)
4. Specifies that retired members who become reemployed as contracted or leased employees before six months after the date of retirement are subject to the requirements limiting pensions. (Sec. 3)
5. Removes retired members being reemployed *in the same position at any time* by the same employer from being subject to the requirements limiting pensions. (Sec. 3)
6. Specifies that a retired members reemployment must be with the employer that the member retired during the 6-month period. (Sec. 3)
7. Designates that if a retired member becomes reemployed in any capacity including as a contracted or leased employee before the six months after the date of retirement employee contributions will not be made, service would not be credited and the employer would pay the alternative contribution rate. (Sec. 3)
8. Removes *in a position other than the same position from which the member retired*. (Sec. 3)

Corrections Officers Retirement Plan

9. Stipulates that retired members who become reemployed as contracted or leased employees before six months after the date of retirement are subject to the requirements limiting pensions. (Sec. 4)

Defined Contribution Plans

10. Adds *State elected officials who were subject to term limits and exempt state officers and employees who elected to participate in the defined contribution retirement plan option established pursuant to 18 section 38-952 in effect on August 6, 1999*, to the definition of an eligible group. (Sec. 5)
11. Makes technical changes. (Sec. 1)