PLEASE NOTE: In most <u>BUT NOT ALL</u> instances, the page and line numbering of bills on this web site correspond to the page and line numbering of the official printed version of the bills.

HB 2109

Introduced by
Representative Huppenthal

AN ACT

AMENDING SECTION 38-891, ARIZONA REVISED STATUTES; RELATING TO THE CORRECTIONS OFFICER RETIREMENT PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1

1   Be it enacted by the Legislature of the State of Arizona:
2   Section 1. Section 38-891, Arizona Revised Statutes, is amended to
3   read:
4   38-891. Employer and member contributions
5   A. As determined by actuarial valuations reported to the employers and
6   the local boards by the fund manager, each employer shall make level per cent
7   of salary contributions sufficient under the actuarial valuations to meet
8   both the normal cost plus the actuarially determined amount required to
9   amortize the unfunded accrued liability over a rolling twenty year period
10   commencing on July 1, 1997, except that, beginning with fiscal year
11   2001-2002, the employer contribution rate shall not be less than two per cent
12   of salary. An employer may pay a higher level per cent of salary thereby
13   reducing its unfunded past service liability. All contributions made by the
14   employers and all state taxes allocated to the fund shall be irrevocable and
15   shall be used to pay benefits under the plan or to pay expenses of the plan
16   and fund. Forfeitures arising because of severance of employment before a
17   member becomes eligible for a pension or for any other reason shall be
18   applied to reduce the cost to the employer, not to increase the benefits
19   otherwise payable to members.
20   B. Each member shall contribute eight and one-half 8.25 per cent of
21   the member's salary to the retirement plan. Member contributions shall be
22   made by payroll deduction. Continuation of employment by the member
23   constitutes consent and agreement to the deduction of the applicable member
24   contribution. Payment of the member's salary less the deducted contributions
25   constitutes full and complete discharge and satisfaction of all claims and
26   demands of the member relating to salary for services rendered during the
27   period covered by the payment.
28   C. Each participating employer shall cause the member contributions to
29   be deducted from the salary of each member. The deducted member
30   contributions shall be paid to the retirement plan within five working days
31   and shall be credited to the member's individual account.
32   D. During a period when an employee is on industrial leave and the
33   employee elects to continue contributions during the period of industrial
34   leave, the employer and employee shall make contributions based on the salary
35   the employee would have received in the employee's job classification if the
36   employee was in normal employment status.
37   E. The local board of the state department of corrections or the local
38   board of the department of juvenile corrections may specify a position within
39   that department as a designated position if the position is filled by
40   an employee who has at least five years of credited service under the plan,
41   who is transferred to temporarily fill the position and who makes a written
42   request to the local board to specify the position as a designated position
43   within ninety days of being transferred. On the employee leaving the
44   position, the position is no longer a designated position.

1   F. The local board of the state department of corrections or the local
2 board of the department of juvenile corrections may specify a designated
3 position within the department as a nondesignated position if the position is
4 filled by an employee who has at least five years of credited service under
5 the Arizona state retirement system and who makes a written request to the
6 local board to specify the position as a nondesignated position within ninety
7 days of accepting the position. On the employee leaving the position, the
8 position reverts to a designated position.