

REFERENCE TITLE: ASRS; active military service credit

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2148

Introduced by
Representatives McClure: Alvarez, Crandall, Konopnicki

AN ACT

AMENDING SECTION 38-745, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA STATE 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 38-745, Arizona Revised Statutes, is amended to
3 read:
4 38-745. Credit for military service
5 A. An active member of ASRS or a member who is receiving benefits
6 pursuant to section 38-797.07 may purchase credited service in ASRS for
7 active military service if both of the following apply:
8 1. The member was honorably separated from the military service.
9 2. The member submits a copy of the member's military service record
10 (DD-214) or its equivalent with the member's application for military service
11 credit.
12 B. The cost to purchase military service credit is an amount equal to
13 the present value of the additional benefit that is derived from the
14 purchased credited service using the actuarial assumptions that are approved
15 by the board.
16 C. An active member of ASRS who is called to active military service
17 may receive credited service for not more than sixty months of active
18 military service, except as provided by the uniformed services employment and
19 reemployment rights act (38 United States Code section 4312(c)). The
20 member's employer shall make employer contributions and member contributions
21 for the member if the member meets the following requirements:
22 1. Was an active member of ASRS on the day before the member began
23 active military service.
24 2. Is a member of the Arizona national guard or is a member of the
25 reserves of any military establishment of the United States.
26 3. Volunteers or is ordered into active military service of the United
27 States as part of a ~~presidential~~ MILITARY call-up.
28 4. ONE OF THE FOLLOWING OCCURS:
29 (a) Is honorably separated from active military service and returns to
30 employment for the same employer from which the member left for active
31 military service within ninety days after the date active military service is
32 terminated. ~~,~~
33 (b) Is hospitalized as a result of military service and returns to
34 employment for the same employer from which the member left for active
35 military service within ninety days after release from service related
36 hospitalization. ~~or~~
37 (c) BECOMES DISABLED DURING THE MILITARY SERVICE AND IS UNABLE TO
38 RETURN TO THE SAME EMPLOYER.
39 (d) Dies ~~as a result of~~ AND THE DEATH OCCURRED DURING the military
40 service.
41 D. Contributions made pursuant to subsection C of this section shall
42 be for the period of time beginning on the date the member began active
43 military service and ending on one of the following dates:
44 1. The date the member is separated from active military service.

1 2. The date the member is released from service related
2 hospitalization or one year after initiation of service related
3 hospitalization, whichever date is earlier.

4 3. ONE YEAR AFTER THE DATE OF DISABILITY.

5 ~~3-~~ 4. The date the member dies ~~as a result of~~ DURING active military
6 service.

7 E. Notwithstanding any other law, on payment of the contributions made
8 pursuant to subsection C of this section, the member shall be credited with
9 service for retirement purposes for the period of time of active military
10 service of not more than sixty months.

11 F. The employer shall make contributions pursuant to subsection C of
12 this section as follows:

13 1. Contributions shall be based on the compensation that a member
14 would have received but for the period that the member was ordered into
15 active military service.

16 2. If the employer cannot reasonably determine a member's rate of
17 compensation for the period that the member was ordered into active military
18 service, the employer shall make contributions based on the member's average
19 rate of compensation during the twelve-month period immediately preceding the
20 period of active military service.

21 3. If a member has been employed less than twelve months before being
22 ordered into active military service, the employer shall make contributions
23 based on the employment period immediately preceding the period of active
24 military service.

25 4. Employer contributions shall be made in a lump sum and without
26 penalty when the member returns to employment, **WHEN IT IS DETERMINED THAT THE**
27 **MEMBER IS UNABLE TO RETURN TO EMPLOYMENT BECAUSE OF A DISABILITY DURING**
28 **MILITARY SERVICE** or on receipt of the member's death certificate. If a
29 member suffers a service related death, the employer shall make the employer
30 and member contributions up to and including the date of the member's death.
31 Death benefits shall be calculated as prescribed by law.

32 G. In computing the length of total credited service of a member for
33 the purpose of determining retirement benefits or eligibility, the period of
34 military service, as prescribed by this section, shall be included.

35 H. Notwithstanding any other law, the member is not required to
36 reimburse the member's employer or ASRS for any contribution made pursuant to
37 subsection C of this section.

38 I. In addition to, but not in duplication of, the provisions of
39 subsection C of this section, contributions, benefits and credited service
40 provided pursuant to this section shall be provided in accordance with
41 section 414(u) of the internal revenue code.