



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR H.B. 2206

ASRS; contingent annuitants
(NOW: ASRS; contingent annuitants; account information)

Purpose

Specifies that an Arizona State Retirement System (ASRS) member who chooses an optional premium benefit (OPB) may name one contingent annuitant to receive the OPB and allows ASRS to disclose the value of a member's benefit to a member's current or former spouse under prescribed conditions.

Background

ASRS offers optional forms of retirement benefits that continue to provide benefits beyond the member's lifetime. If one of these options is elected, the member designates a beneficiary, or contingent annuitant, who is entitled to receive the benefits following the member's death. A *contingent annuitant* is the person named by a member to receive retirement income payable following a member's death after retirement (A.R.S. §§ [38-711](#) and [38-760](#); [ASRS](#)).

An ASRS member who elects to receive a period certain and life annuity may also elect, at the time of retirement, an optional form of health insurance premium benefit to supplement the cost of retiree health insurance. The OPB is designed for members who have a spouse or dependent who will want to continue to receive the health benefit following the member's death ([A.R.S. § 38-783](#); [ASRS](#)).

Statute identifies information that must be contained in a domestic relations order to be considered acceptable by ASRS. [Laws 2023, Chapter 34](#) requires a domestic relations order submitted to ASRS to value an ASRS member's benefit on the earliest date of service of a petition for annulment, dissolution of marriage or legal separation to be considered acceptable by ASRS. Member information maintained by ASRS is considered confidential, with certain exceptions (A.R.S. §§ [38-755](#) and [38-773](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that a member who chooses an OPB may only name one contingent annuitant to receive the OPB after the member's death.
2. Authorizes ASRS to disclose the value of a member's benefit to a member's current or former spouse on receipt of proof of service of a petition for annulment, dissolution of marriage or legal separation.

3. Replaces the term *beneficiary* with the term *contingent annuitant* for the purposes of the period certain and life annuity.
4. Makes technical changes.
5. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Authorizes ASRS to disclose the value of a member's benefit to a member's current or former spouse on receipt of proof of service of a petition for annulment, dissolution of marriage or legal separation.
2. Makes technical and conforming changes.

House Action

WM 1/17/24 DP
3rd Read 1/25/24

10-0-0-0
55-0-4-0-1

Senate Action

FICO 3/4/24 DPA 6-0-1

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