



ARIZONA HOUSE OF REPRESENTATIVES

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House: GE DP 12-0-0-1 | 3rd Read 59-0-0-0-1

SB 1054: ASRS; self-insurance program (Substituted for HB 2139)

Sponsor: Senator Livingston, LD 22

Transmitted to the Governor

Overview

Specifies the uses of monies in a self-insurance program account.

History

Current statute allows the Board (Board) of the Arizona State Retirement System (ASRS) to establish a self-insurance program if the Board determines that this will be less expensive than a fully insured plan and at least as effective, while considering the risks and costs. If a self-insurance program is established by the Board, the program must include all health coverage benefits that are required by statute. ASRS is required to establish a separate account for any self-insurance program that is created pursuant to statute. If a self-insurance program is no longer offered, the monies in the account must be transferred to another account of ASRS as determined by the Board ([A.R.S. § 38-782](#)).

The Public Safety Personnel Defined Contribution Retirement Plan is established to provide for the retirement of specified participants. The stated purpose of this plan is to provide a defined contribution plan that is fully funded on a current basis from participant and employer contributions ([A.R.S. § 38-866](#)).

Provisions

1. Stipulates that ASRS must not use or divert any income from the self-insurance program for any purpose other than providing benefits and paying the administration costs for the self-insurance program or premium payments as prescribed in statute. (Sec. 1)
2. Requires, if a self-insurance program is no longer offered, monies in the program account to be used to provide any remaining benefits and to pay administration costs for the program or the premium payments as prescribed in statute instead of being transferred to another ASRS account. (Sec. 1)
3. Specifies that any remaining monies in the account be returned to the employer if the liabilities of ASRS to provide self-insurance program benefits and the premium payments are satisfied. (Sec. 1)
4. Includes the Public Safety Personnel Defined Contribution Retirement Plan in groups that may participate in group health and accident coverage. (Sec. 1)
5. Directs the Board to not use the health insurance and premium payment account for any purpose other than the cost of administering these benefits or the self-insurance program. (Sec. 2)
6. Makes technical and conforming changes. (Sec. 1, 2)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note