



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

ENACTED

FACT SHEET FOR H.B. 2059/S.B. 1136

retirement systems; benefit computation; return-to-work.

Purpose

Conforms, to the Internal Revenue Code (IRC), the age at which a Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan (CORP) or Elected Officials' Retirement Plan (EORP) retired member's benefit payments must commence and modifies the definition of *average monthly benefit compensation* for a Tier 1 PSPRS member.

Background

Payment of benefits to a retired PSPRS, CORP or EORP member must commence no later than April 1 of the calendar year following the calendar year in which the member attains 70.5 years of age or the date the member terminates employment, whichever is later (A.R.S. §§ [38-808](#); [38-844](#); and [38-890](#)).

PSPRS consists of three membership tiers:

Tier	Date of Employee Hire
1	Before January 1, 2012
2	January 1, 2012 – June 30, 2017
3	July 1, 2017 and thereafter

Average monthly benefit compensation is the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months that compensation was received. A period of nonpaid or partially paid industrial leave is included in the considered period for both a Tier 2 and Tier 3 member ([A.R.S. § 38-842](#)).

Certain pension payment conditions apply for a retired member who becomes reemployed in any capacity by the employer from which the retired member retired before one year after the date of retirement or in the same position at any time following retirement ([A.R.S. § 38-849](#)).

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

Provisions

1. Conforms, to the IRC, the age at which a PSPRS, CORP or EORP retired member's benefit payments must commence by raising the age from 70.5 years old to 72 years old.

2. Requires, to be included in the consideration period of a Tier 1 member's *average monthly benefit compensation*, a period of nonpaid or partially paid industrial leave to be considered based on the compensation the employee would have received in their job classification if the employee was not on industrial leave.
3. Adds a specification, for elected officials who are elected or appointed beginning January 1, 2014, and who are subject to the Arizona State Retirement System (ASRS) statutes, that the elected official must be eligible for ASRS service credit for their service.
4. Specifies that pension payments received during a period of reemployment by a certain retired PSPRS member are not required to be considered as overpayments.
5. Makes technical and conforming changes.
6. Becomes effective on the general effective date.

House Action

GE 1/14/21 DP 13-0-0-0
3rd Read 1/28/21 59-0-1

Senate Action

FIN 2/3/21 DP 10-0-0
3rd Read 2/11/21 29-0-1
(H.B. 2059 was substituted for S.B. 1136 on 3rd
Read)

Signed by the Governor 2/18/21
Chapter 23

Prepared by Senate Research
February 22, 2021
MG/ML/gs