

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

Editor's Note: The following Notice of Proposed Rulemaking was exempt from Executive Order 2012-03 as issued by Governor Brewer. (See the text of the executive order on page 1926.)

[R12-140]

PREAMBLE

- 1. Article, Part, or Section Affected (as applicable) Rulemaking Action**

R2-8-501	Amend
R2-8-502	Amend
R2-8-503	Amend
R2-8-513	Amend

- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statute: A.R.S. § 38-714(F)(5)
Implementing statute: A.R.S. § 38-747

- 3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:**

Notice of Rulemaking Docket Opening: 18 A.A.R. 1868, August 3, 2012
Notice of Proposed Rulemaking: 18 A.A.R. 1818, August 3, 2012
Notice of Rulemaking Docket Opening: 18 A.A.R. 1922, August 10, 2012 (*in this issue*)

- 4. The agency's contact person who can answer questions about the rulemaking:**

Name:	Patrick Klein, Assistant Director
Address:	ASRS 3300 N. Central Ave., Suite 1400 Phoenix, AZ 85012-0250
Telephone:	(602) 240-2044
Fax:	(602) 240-5303
E-mail:	PatK@azasrs.gov
Web site:	www.azasrs.gov

- 5. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:**

In a previously filed Notice of Proposed Rulemaking, the Board indicated it is repealing R2-8-518, which provides those retiring under ASRS with the option of using a partial lump sum of retirement benefits to purchase service credit. In this rulemaking, the Board makes conforming changes to Sections that reference purchasing service credit with a partial lump sum of retirement benefits.

This rulemaking is exempt from the rulemaking moratorium contained in Executive Order 2012-03 under paragraph (4)(c) of the Order.

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6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

This rulemaking will have minimal economic impact. It simply ensures that the Board's rules conform to the repeal of R2-8-518.

9. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Patrick Klein, Assistant Director
Address: ASRS
3300 N. Central Ave., Suite 1400
Phoenix, AZ 85012-0250
Telephone: (602) 240-2044
Fax: (602) 240-5303
E-mail: PatK@azasrs.gov
Web site: www.azasrs.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rule will be held as follows:

Date: Monday, September 10, 2012
Time: 9:00 a.m.
Location: ASRS Board Room (10th floor)
3300 N Central Ave.
Phoenix, AZ 85012

The rulemaking record will close at 5:00 p.m. on September 10, 2012.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

No permit is required.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Federal law applies to retirement programs including those that an individual might use to purchase service credit. However, there is no federal law specifically applicable to this rulemaking.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

13. The full text of the rules follows:

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

ARTICLE 5. PURCHASING SERVICE CREDIT

Section

- R2-8-501. Definitions
- R2-8-502. Request to Purchase Service Credit and Notification of Cost
- R2-8-503. Requirements Applicable to All Service Credit Purchases
- R2-8-513. Purchasing Service Credit by Irrevocable Payroll Deduction Authorization

ARTICLE 5. PURCHASING SERVICE CREDIT

R2-8-501. Definitions

The following definitions apply to this Article unless otherwise specified:

1. No change
2. No change
 - a. No change
 - b. No change
 - c. No change
3. No change
4. No change
5. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
6. No change
7. No change
8. No change
9. No change
10. No change
11. No change
12. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
13. No change
14. No change
15. No change
 - a. No change
 - b. No change
16. No change
17. No change
18. No change
19. No change
20. "Forms of payment" means check, cashier's check, money order, Irrevocable Payroll Deduction Authorization, direct rollover, trustee-to-trustee transfer, IRA rollover, ~~partial lump sum distribution~~, and termination pay distribution.
21. No change
22. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
23. No change
24. No change
25. No change
26. No change
27. No change
28. No change

- 29. No change
- 30. No change
- 31. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
- 32. No change
- 33. No change
- 34. No change
- 35. No change
- 36. No change
- 37. No change
- 38. No change
- 39. No change
- 40. No change
- 41. No change
- 42. No change
- 43. No change
- 44. No change
- 45. No change
- 46. No change
- 47. No change
 - a. No change
 - b. No change
- 48. No change
- 49. No change
- 50. No change
- 51. No change

R2-8-502. Request to Purchase Service Credit and Notification of Cost

- A. No change
- B. No change
- C. No change
- D. No change
 - 1. No change
 - 2. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
 - h. No change
 - i. No change
 - j. No change
 - k. If the member is retiring and wishes to pay by a partial lump sum retirement distribution, the member's requested retirement date; and
 - ~~l.~~ k. No change
 - 3. No change

R2-8-503. Requirements Applicable to All Service Credit Purchases

- A. To purchase service credit at the amount provided in an SP invoice, an eligible member shall purchase the service credit by check or money order, or request an Irrevocable Payroll Deduction Authorization, rollover, transfer, or termination pay distribution, ~~or partial lump sum retirement distribution~~ as specified in this Article, by the due date specified on the SP invoice.
- B. No change

- 1. No change
- 2. No change
- C. No change
- D. No change
- E. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
- F. No change
- G. No change
 - 1. No change
 - 2. No change
 - 3. No change
- H. No change
- I. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change

R2-8-513. Purchasing Service Credit by Irrevocable Payroll Deduction Authorization

- A. No change
- B. No change
- C. No change
- D. No change
 - 1. No change
 - a. No change
 - b. No change
 - c. No change
 - 2. No change
- E. No change
 - 1. No change
 - 2. No change
 - 3. No change
- F. No change
- G. No change
- H. No change
- I. No change
 - 1. No change
 - 2. No change
 - 3. No change
- J. No change
- K. No change
- L. No change
 - 1. No change
 - 2. No change
 - 3. By requesting a partial lump sum retirement benefit distribution from the ASRS under R2-8-518; or
 - 4.3. No change