

State of Arizona
Senate
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Second Regular Session
1996

FILED

**Jane Dee Hull
Secretary of State**

CHAPTER 318

SENATE BILL 1274

AN ACT

AMENDING SECTION 38-844, ARIZONA REVISED STATUTES; RELATING TO THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-844, Arizona Revised Statutes, is amended to
3 read:

4 38-844. Requirements for retirement benefits and disability
5 pensions

6 A. A member shall be eligible for a normal pension upon retirement on
7 or after ~~his~~ THE MEMBER'S normal retirement date. Payment of a normal
8 pension shall commence as of the first day of the month following the date
9 of retirement, and the last payment shall be made as of the last day of the
10 month in which the death of the retired member occurs.

11 B. A member ~~shall be~~ IS eligible for an accidental ~~or ordinary~~
12 disability pension if ~~his~~ THE MEMBER'S employment is terminated ~~prior to his~~
13 ~~normal retirement date~~ by reason of ~~ordinary disability or~~ accidental
14 disability. A MEMBER IS ELIGIBLE FOR AN ORDINARY DISABILITY PENSION IF THE
15 MEMBER'S EMPLOYMENT IS TERMINATED BEFORE THE MEMBER'S NORMAL RETIREMENT DATE
16 BY REASON OF ORDINARY DISABILITY. Payment of an accidental or ordinary
17 disability pension shall commence as of the first day of the month following
18 the date of retirement or the expiration of a period during which the member
19 is receiving sick leave payments or a temporary disability pension, whichever
20 is later. The last payment shall be made as of the last day of the month in
21 which the death of the retired member occurs, or if disability ceases prior

1 to ~~his~~ THE MEMBER'S normal retirement date, the first day of the month in
2 which disability ceases.

3 C. Notwithstanding any other provision of this section, no member
4 shall qualify for an accidental or ordinary disability pension if the local
5 board determines that ~~his~~ THE MEMBER'S disability results from the following:

6 1. An injury suffered while engaged in a felonious criminal act or
7 enterprise.

8 2. Service in the armed forces of the United States which entitles the
9 member to a veteran's disability pension.

10 3. A physical or mental condition or injury that existed or occurred
11 prior to the member's date of membership in the system.

12 D. Accidental or ordinary disability shall be considered to have
13 ceased and an accidental or ordinary disability pension terminates if the
14 member:

15 1. Has sufficiently recovered, in the opinion of the local board,
16 based on a medical examination by a doctor or clinic appointed by the local
17 board, to be able to engage in a reasonable range of duties within the
18 member's department and the member refuses an offer of employment by an
19 employer in the system.

20 2. Refuses to undergo any medical examination requested by the board,
21 provided that a medical examination shall not be required more frequently
22 than once in any calendar year.

23 E. Subsection D of this section does not apply after a disability
24 pensioner's normal retirement date. The amount of a disability pension shall
25 not be recomputed at a disability pensioner's normal retirement date.

26 F. An accidental or ordinary disability pension shall be reduced in
27 the period prior to the member's normal retirement date if the member engages
28 in any employment and if the member's income from this employment is greater
29 than the member's pension unreduced by this subsection. The amount of the
30 reduction shall be equal to the difference between the member's income from
31 employment and the member's unreduced pension. The local board shall have
32 the right to suspend payments of an accidental or ordinary disability pension
33 if the disabled member fails to report earned income. Such suspension shall
34 be for the period there is no satisfactory report with restoration of
35 benefits upon acceptance of such report or until the member's normal
36 retirement date, whichever occurs earlier. If, in the opinion of the local
37 board, the reduction provided in this subsection is insufficient to recover
38 monies previously paid to a member, each local board may, in its sole
39 discretion, bring an action to recover any outstanding balance due,
40 notwithstanding any other rights the local board possesses.

41 G. If accidental or ordinary disability ceases before a retired member
42 attains ~~his~~ THE MEMBER'S normal retirement date and ~~he~~ THE MEMBER is
43 reemployed by an employer, the pension payable upon ~~his~~ THE MEMBER'S

1 subsequent retirement shall be determined as provided in section 38-849,
2 subsection D.

3 H. A member shall be eligible for a temporary disability pension if
4 ~~his~~ THE MEMBER'S employment is terminated prior to ~~his~~ THE MEMBER'S normal
5 retirement date by reason of temporary disability. Payment of a temporary
6 disability pension shall commence as of the first day of the month following
7 the date of disability or the expiration of a period during which the member
8 is receiving compensation and sick leave payments, whichever is later. The
9 last payment shall be made as of the first day of the month in which either
10 the death of the member occurs or the local board deems the member is no
11 longer under temporary disability, whichever first occurs, provided that no
12 more than twelve monthly temporary disability payments shall be made in total
13 to the member.

14 I. If upon the expiration of a temporary disability pension the local
15 board finds upon application that the member has an accidental or ordinary
16 disability, the member shall ~~thereupon~~ be eligible for an accidental or
17 ordinary disability pension, as provided in this section.

18 Sec. 2. Retroactivity

19 Section 38-844, Arizona Revised Statutes, as amended by this act,
20 applies retroactively to from and after June 30, 1995.

21 Sec. 3. Tax equity benefit increase

22 A. An active member of the public safety personnel retirement system
23 established by title 38, chapter 5, article 4, Arizona Revised Statutes, who
24 was employed before September 15, 1989 by an employer participating in the
25 public safety personnel retirement system and who retires on or after October
26 31, 1995 but before November 1, 1996 is entitled to receive a tax equity
27 benefit allowance consisting of a permanent increase of two per cent of the
28 member's base benefit retroactive to the day of retirement. The cost of the
29 benefit increase prescribed in this subsection is payable from the applicable
30 employer cost of the public safety personnel retirement system.

31 B. Each person who retires after October 30, 1992 but before November
32 1, 1996 and who receives benefits pursuant to title 38, chapter 5, article
33 3, Arizona Revised Statutes, and who was employed before September 15, 1989
34 by an employer participating in the elected officials' retirement plan is
35 entitled to receive a tax equity benefit allowance consisting of a permanent
36 increase of two per cent of the member's base benefit retroactive to the day
37 of retirement. The cost of the benefit increase prescribed in this
38 subsection is payable from the assets of the elected officials' retirement
39 plan and shall be added to the unfunded liability of the elected officials'
40 retirement plan.

41 Sec. 4. Delayed repeal

42 Section 3 of this act is repealed from and after December 31, 1996.

APPROVED BY THE GOVERNOR MAY 1, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 1996