

Senate Engrossed

State of Arizona
Senate
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 203

SENATE BILL 1045

AN ACT

AMENDING SECTION 38-905, ARIZONA REVISED STATUTES; RELATING TO THE
CORRECTIONS OFFICER RETIREMENT PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-905, Arizona Revised Statutes, is amended to
3 read:

4 38-905. Benefit increases

5 A. Effective July 1 of each year, each retired member or survivor of
6 a retired member is entitled to receive a permanent benefit increase in the
7 base benefit equal to the amount determined pursuant to this section if
8 either:

9 1. The retired member or survivor of the retired member was receiving
10 benefits on or before July 31 of the previous two years.

11 2. The retired member or survivor of the retired member was fifty-five
12 years of age or older on July 1 of the current year and was receiving
13 benefits on or before July 31 of the previous year.

14 B. The monthly amount of a permanent increase provided by subsection
15 A is determined as follows:

16 1. Determine the excess investment earnings on the net assets of the
17 fund.

18 2. Determine the excess investment earnings account balance.

19 3. Determine the actuarial present value, as of June 30 of the
20 preceding calendar year, of a five dollar per month increase in the amount
21 of each pension eligible for an increase.

22 4. Add the amounts determined in paragraphs 1 and 2 of this subsection
23 and divide that sum by the amount determined in paragraph 3 of this
24 subsection.

25 5. From the quotient obtained in paragraph 4 of this subsection, drop
26 any fraction.

27 6. Multiply the number obtained in paragraph 5 of this subsection by
28 five dollars.

29 C. The excess investment earnings on the net assets of the fund are
30 equal to the total assets of the fund less any amount allocated to the excess
31 investment earnings account multiplied by one-half of the positive
32 difference, if any, between the total return of the plan and nine per cent.
33 The excess investment earnings on the net assets of the fund are zero if the
34 total return of the plan is less than or equal to nine per cent.

35 D. As used in this section, total return and net assets of the fund
36 are the amounts published in the annual report of the plan for the fiscal
37 year ending June 30 of the calendar year preceding the July 1 of the
38 increase.

39 E. All excess investment earnings on the net assets of the fund are
40 available for benefit increases as provided in this section. Any excess
41 investment earnings on the net assets of the fund from any year which are not
42 used for benefit adjustments for that year are available for future benefit
43 increases in the following years. Earnings on the excess investment earnings
44 account balance at the rate of the total return as published in the annual

1 report of the plan shall be added each year to the excess investment earnings
2 account and shall be available for future benefit increases.

3 F. The maximum benefit increase under this section is limited to the
4 ~~equivalent~~ of four per cent of the ~~average normal~~ benefit being received on
5 the preceding June 30.

APPROVED BY THE GOVERNOR APRIL 20, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2001.

Passed the House April 16, 20 01,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate February 19, 20 01,

by the following vote: 27 Ayes,

1 Nays, 2 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

16 day of April, 20 01,

at 4:53 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 20 day of

April, 20 01,

at 6:30 o'clock P M.

[Signature]
Governor of Arizona

S.B. 1045

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 23 day of April, 20 01,

at 4:45 o'clock P M.

[Signature]
Secretary of State