

House Engrossed Senate Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 173

SENATE BILL 1556

AN ACT

AMENDING SECTION 38-727, ARIZONA REVISED STATUTES; RELATING TO THE STATE
RETIREMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-727, Arizona Revised Statutes, is amended to
3 read:

4 38-727. Eligibility; options

5 The following provisions apply to all employees hired on or after the
6 effective date:

7 1. All employees and officers of this state and all officers and
8 employees of political subdivisions establishing a retirement plan
9 administered by the board pursuant to this article who as a result of state
10 service or service for the political subdivision are included in agreements
11 providing for their coverage under the federal old age and survivors
12 insurance system are subject to this article, except that membership is not
13 mandatory:

14 (a) On the part of any employee who is eligible and who elects to
15 participate in the optional retirement programs established by the Arizona
16 board of regents pursuant to the authority conferred by section 15-1628 or by
17 a community college district board pursuant to authority conferred by section
18 15-1451.

19 (b) For a state elected official who is subject to term limits, who is
20 eligible for participation in ASRS because the state elected official elected
21 not to participate in the elected officials' retirement plan as provided in
22 section 38-804, subsection A and who elects not to participate in ASRS as
23 provided in paragraph 7 of this section.

24 (c) On the part of any employee or officer who is eligible to
25 participate and who participates in the elected officials' retirement plan
26 pursuant to article 3 of this chapter, the public safety personnel retirement
27 system pursuant to article 4 of this chapter or the corrections officer
28 retirement plan pursuant to article 6 of this chapter.

29 2. All employees and officers of political subdivisions whose
30 compensation is provided wholly or in part from state monies and who are
31 declared to be state employees and officers by the legislature for retirement
32 purposes are subject, on legislative enactment, to this article and are
33 members of ASRS.

34 3. Any member whose service terminates other than by death or
35 withdrawal from membership is deemed to be a member of ASRS until the
36 member's death benefit is paid.

37 4. Employees and officers shall not become members of ASRS and, if
38 they are members immediately before becoming employed as provided by this
39 section, shall have their membership status suspended while they are employed
40 by state departments paying the salaries of their officers and employees
41 wholly or in part from monies received from sources other than appropriations
42 from the state general fund for the period or periods payment of the employer
43 contributions is not made by or on behalf of the departments.

1 5. Notwithstanding other provisions of this section, a temporary
2 employee of the legislature whose projected term of employment is for not
3 more than six months is ineligible for membership in ASRS. If the employment
4 continues beyond six successive months, the employee may elect to either:
5 (a) Receive credit for service for the first six months of employment
6 and establish membership in ASRS as of the beginning of the current term of
7 employment if, within forty-five days after the first six months of
8 employment, both the employer and the employee contribute to ASRS the amount
9 that would have been required to be contributed to ASRS during the first six
10 months of employment as if the employee had been a member of ASRS during
11 those six months.
12 (b) Establish membership in ASRS as of the day following the
13 completion of six months of employment.
14 6. A person who is employed in postgraduate training in an approved
15 medical residency training program of an employer OR A POSTDOCTORAL SCHOLAR
16 WHO IS EMPLOYED BY A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD
17 OF REGENTS is ineligible for membership in ASRS.
18 7. A state elected official who is subject to term limits and who is
19 eligible for participation in ASRS because the state elected official elected
20 not to participate in the elected officials' retirement plan as provided in
21 section 38-804, subsection A may elect not to participate in ASRS. The
22 election not to participate is specific for that term of office. The state
23 elected official who is subject to term limits shall make the election in
24 writing and file the election with ASRS within thirty days after the elected
25 official's retirement plan mails the notice to the state elected official of
26 the state elected official's eligibility to participate in ASRS. The
27 election is effective on the first day of the state elected official's
28 eligibility. If a state elected official who is subject to term limits fails
29 to make an election as provided in this paragraph, the state elected official
30 is deemed to have elected to participate in ASRS. The election not to
31 participate in ASRS is irrevocable and constitutes a waiver of all benefits
32 provided by ASRS for the state elected official's entire term, except for any
33 benefits accrued by the state elected official in ASRS for periods of
34 participation prior to being elected to an office subject to term limits or
35 any benefits expressly provided by law.

APPROVED BY THE GOVERNOR MAY 1, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2007.

Passed the House April 3, 2007,

by the following vote: 55 Ayes,

0 Nays, 5 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Assistant Chief Clerk of the House

Passed the Senate February 22, 2007,

by the following vote: 24 Ayes,

5 Nays, 1 Not Voting

Timothy S. Bee
President of the Senate

Charmain Bellington
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR~~

~~This Bill was received by the Governor this
_____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary to the Governor~~

~~Approved this _____ day of~~

~~_____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Governor of Arizona~~

S.B. 1556

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE~~

~~This Bill was received by the Secretary of State
this _____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary of State~~

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 26, 20 07

by the following vote: 23 Ayes,

4 Nays, 3 Not Voting

Timothy S. Bee
President of the Senate

Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

26th day of April, 20 07

at 11:30 o'clock a. M.

Wendee Ybarra
Secretary to the Governor

Approved this 1 day of

May 2007

at 1st o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 1st day of May, 20 07

at 4:30 o'clock P. M.

Janice K. Brewer
Secretary of State