

House Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 274

HOUSE BILL 2693

AN ACT

AMENDING SECTION 38-846, ARIZONA REVISED STATUTES; RELATING TO THE PUBLIC SAFETY PERSONNEL 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 38-846, Arizona Revised Statutes, is amended to
3 read:

4 38-846. Death benefits

5 A. The surviving spouse of a deceased retired member shall be paid a
6 surviving spouse's pension if the spouse was married to the member for a
7 period of at least two consecutive years at the time of the member's death.
8 Payment of a surviving spouse's pension shall commence as of the last day of
9 the month following the retired member's date of death. The last payment
10 shall be made as of the last day of the month in which the surviving spouse's
11 death occurs.

12 B. The surviving spouse of a deceased member shall be paid a surviving
13 spouse's pension if the spouse was married to the member on the date of the
14 member's death. Payment of a surviving spouse's pension commences as of the
15 last day of the month following the member's date of death. The last payment
16 shall be made as of the last day of the month in which the surviving spouse's
17 death occurs.

18 C. The surviving spouse of a deceased retired member is entitled to
19 receive a monthly amount equal to four-fifths of the monthly amount of
20 pension that the decedent would have received immediately before death.

21 D. The surviving spouse of a deceased member who was not killed in the
22 line of duty or did not die from injuries suffered in the line of duty is
23 entitled to receive a monthly amount calculated in the same manner as an
24 accidental disability pension is calculated pursuant to section 38-845,
25 subsection B. The surviving spouse of a deceased member who is killed in the
26 line of duty or dies from injuries suffered in the line of duty is entitled
27 to receive a monthly amount equal to the deceased member's average monthly
28 benefit compensation less any amount payable for an eligible child under this
29 section. A member who was eligible for or receiving a temporary disability
30 pension at the time of the member's death is not deemed to be retired for the
31 purposes of this subsection. For the purposes of this subsection, "killed in
32 the line of duty" means the decedent's death was the direct and proximate
33 result of the performance of the decedent's public safety duties and does not
34 include suicide. FOR ACTUARIAL VALUATION PURPOSES, THE ACTUARIAL PRESENT
35 VALUE OF THE AMOUNT COMPUTED UNDER THIS SUBSECTION FOR A SURVIVING SPOUSE OF
36 A DECEASED MEMBER WHO IS KILLED IN THE LINE OF DUTY OR WHO DIES FROM INJURIES
37 SUFFERED IN THE LINE OF DUTY, PLUS ANY AMOUNT PAYABLE FOR AN ELIGIBLE CHILD
38 UNDER THIS SECTION, SHALL BE DEPOSITED DIRECTLY INTO THE EMPLOYER ACCOUNT AND
39 CHARGED AGAINST THE INVESTMENT EARNINGS OF THE FUND BEFORE THOSE EARNINGS ARE
40 DISTRIBUTED TO EACH EMPLOYER.

41 E. A surviving spouse shall file a written application with the system
42 in order to receive a survivor benefit.

43 F. If at least one eligible child is surviving at the death of a
44 member or retired member, but no surviving spouse's pension then becomes
45 payable, a guardian's or conservator's pension shall be payable to the person

1 who is serving, or who is deemed by the local board to be serving, as the
2 legally appointed guardian or custodian of the eligible child. If an
3 eligible child of a member or retired member is surviving at the member's or
4 retired member's death, the eligible child is entitled to receive a child's
5 pension payable to the person who is serving or who is deemed by the local
6 board to be serving as the legally appointed guardian or custodian of the
7 eligible child until the eligible child reaches eighteen years of age, at
8 which time the eligible child's pension shall be paid directly to the
9 eligible child if the person remains eligible to receive the pension and is
10 not subject to a guardianship or conservatorship due to disability or
11 incapacity. The pension of a disabled child who is eighteen years of age or
12 older and who is subject to a guardianship or conservatorship due to
13 disability or incapacity shall continue to be paid to the guardian or
14 conservator if the child remains eligible for the pension payment. A child's
15 pension or a guardian's or conservator's pension terminates if the child is
16 adopted. In the case of a disabled child, the child's pension or the
17 guardian's or conservator's pension terminates if the child ceases to be
18 under a disability or ceases to be a dependent of the surviving spouse or
19 guardian. The member may also direct by designation to the local board that
20 the guardian or conservator pension or child's pension be paid to the trustee
21 of a trust created for the benefit of the eligible child. A guardian's or
22 conservator's pension shall also become payable if at least one eligible
23 child is surviving when a surviving spouse's pension terminates. The
24 guardian or conservator shall file a written application with the system in
25 order to receive the guardian's or conservator's pension and child's pension.

26 G. The board shall pay a guardian's or conservator's pension during
27 the same period in which a pension is payable to at least one eligible child.
28 The guardian, conservator or designated trustee is entitled to receive the
29 same monthly amount as would have been payable to the decedent's surviving
30 spouse had a surviving spouse's pension become payable on the decedent's
31 death.

32 H. Each eligible child is entitled to a monthly amount equal to
33 one-tenth of the monthly amount of pension that the deceased member or
34 retired member would have received immediately before death. The pension for
35 a child of a deceased member shall be calculated in the same manner as an
36 accidental disability is calculated pursuant to section 38-845, subsection B.
37 A deceased member shall be assumed to be retired for reasons of accidental
38 disability immediately before the member's death. If there are three or more
39 children eligible for a child's pension, a maximum of two shares of the
40 child's pension shall be payable, the aggregate of such shares to be
41 apportioned in equal measure to each eligible child.

42 I. If a member has accumulated contributions remaining in the system
43 at the date of death of the last beneficiary, a lump sum refund of such
44 accumulated contributions shall be payable to the person whom the member has
45 designated to the local board as the member's refund beneficiary, or if the

1 member's refund beneficiary is not then surviving, to the designated
2 contingent refund beneficiary, or if the designated contingent refund
3 beneficiary is not then surviving or if the surviving designated beneficiary
4 does not apply for the benefit within twelve months from the date of the
5 member's death, at the election of the local board to the person's nearest of
6 kin as determined by the local board or to the estate of the deceased member.
7 The amount of the lump sum refund shall be the remaining accumulated
8 contributions. The beneficiary or person who is claiming to be the nearest
9 of kin shall file a written application in order to receive the refund.

10 J. In calculating the right to and the amount of the surviving
11 spouse's pension, the law in effect on the date of the death of the member or
12 retired member controls, unless the law under which the member retired
13 provides for a greater benefit amount for a surviving spouse.

APPROVED BY THE GOVERNOR APRIL 30, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2014.

Passed the House February 27, 2014

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate April 23, 2014

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

24 day of April, 2014

at 9:40 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 30th day of

[Signature]

at 1:55 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 30th day of April, 2014

at 4:21 o'clock P M.

[Signature]
Secretary of State

H.B. 2693