
2025 Legislative Summary*

ASRS INITIATIVES

HB2034 ASRS; Supplemental Employee Deferral Plan (Sponsor: Livingston) – PASSED & SIGNED

This bill updates Arizona Revised Statutes (A.R.S.) § 38-781 to clarify that an employee who is participating in one of the PSPRS plans cannot participate in one of the ASRS supplemental deferred compensation plans. This clarification is consistent with current practice and the intent of the ASRS plans to provide supplemental retirement plans to public employees who do not have access to other state plans. PSPRS administers their own supplemental plans that their members can utilize. *Effective Date: September 26, 2025*

HB2035 ASRS; Termination Incentive Programs (Sponsor: Livingston) – PASSED & SIGNED

This bill updates A.R.S. § 38-749 to clarify that If an employer uses a “termination incentive program” to incentivize their employees to retire earlier than expected and that retirement causes a higher than expected cost to the ASRS, i.e. an unfunded liability, the ASRS can require the employer to pay for that unfunded liability. This simply defines how the ASRS will calculate an unfunded liability for each type of “termination incentive program” in the event the ASRS needs to charge an employer for an unfunded liability caused by the employer’s “termination incentive program.”

Effective Date: September 26, 2025

HB2036 ASRS; Temporary Personnel Service (Sponsor: Livingston) – PASSED & SIGNED

This bill updates A.R.S. § 38-745 to clarify that a civilian reservist who serves as temporary personnel for an emergency, i.e. FEMA, shall receive the same retirement rights and protections as members who are call up for active military duty. This is consistent with federal law that requires such reservists to have the same retirement rights and protections as military call-up personnel. *Effective Date: September 26, 2025*

HB2077 ASRS; Long-Term Disability (Sponsor: Livingston) – PASSED & SIGNED

This bill updates A.R.S. § 38-797.07 to clarify that in order to be eligible for long-term disability benefits from the ASRS, the disability must have occurred while an ASRS employer employed the member and the disability must inhibit the member from completing their job duties for the ASRS employer. This is consistent with current practice and the intent of the ASRS LTD plan to provide LTD benefits to members who are not able to perform their job duties with their ASRS employer due to a disability. *Effective Date: September 26, 2025*

BILLS IMPACTING ASRS

SB1034 ASRS; Return to Work; Prosecutors (Sponsor: Kavanagh) – FAILED

This bill proposed to allow a retired member who terminated employment for at least six months to return to work as a prosecutor and continue to receive retirement benefits. It was assigned to the House Ways and Means Committee, but was not heard in that Committee.

SB1093 Government Investments; Products; Fiduciaries; Plans (Sponsor: Hoffman) – FAILED

This bill proposed to require all state investments to be made in the sole interest of the taxpayer, be based solely on pecuniary factors, and not consider any non-pecuniary factors. It also requires a plan to vote shares directly and not allow any fiduciary to vote shares that are held by the plan based on any non-pecuniary factors. It was assigned to the House Government Committee, but was not heard in that Committee.

SB1221 China; Public Funds; Divestment (Sponsor: Mesnard) – PASSED & SIGNED

This bill requires a publicly managed fund to divest from companies that are owned, domiciled, incorporated, headquartered, or controlled by the People’s Republic of China. *Effective Date: September 26, 2025*

SB1474 ASRS Retirement; Legislators; Other Employment (Sponsor: Alston) – FAILED

This bill proposed to allow state elected officials to retire from other ASRS employers without resigning their elected position. It was assigned to the House Ways and Means Committee, but was not heard in that Committee.

SB1592 ASRS; Investments; Fiduciaries; Duties; Limitations (Sponsor: Rogers) – FAILED

This bill proposed to require the ASRS to only invest assets based on pecuniary factors and cannot take into account any non-pecuniary factors. It also requires the plan to vote shares directly and not allow any fiduciary to vote shares that are held by the plan based on any non-pecuniary factors. Finally, it requires the ASRS to post a current list of all investments on its website. It was assigned to the Senate Finance Committee, but was not heard in that Committee.

SB1712 retirement; Judges; Elected Officials (Sponsor: Gowan) – FAILED

This bill proposed to allow new judicial officers and new elected officials to choose to participate with either the ASRS or the Elected Officials’ Defined Contribution Retirement System. It was assigned to the Senate Finance Committee, but was not heard in that Committee.

HB2335 Retirement Benefits; Waiting Period; Repeal (Sponsor: Livingston) – FAILED

This bill proposed to make several changes to the return to work requirements. Representative Livingston and ASRS staff did not pursue HB2335 this session in order to allow ASRS staff and stakeholders more time to draft statutory language that will benefit ASRS members, while ensuring the ASRS remains compliant with IRS regulations.

HB2645 ASRS; Return to Work (Sponsor: Liguori) – FAILED

This bill proposed to repeal the six-month waiting period for new State employees to participate in the ASRS. It was assigned to the House Ways and Means Committee, but was not heard in that Committee.

*Please note that more detailed information about this legislation and more can be found on the ASRS website in the [ASRS Bill Tracker](#). Additional information on legislation is also available on the Legislature website at <https://www.azleg.gov/>.