

Arizona Administrative Register
NOTICES OF FINAL RULEMAKING

- B. Upon receipt of a letter of appeal, the long-term disability vendor, or the ~~designated appeals officer~~ ~~Member Services Division Assistant Director~~, or such ~~officer's~~ ~~director's~~ designee, shall send a response letter to the person requesting the appeal notifying the person of:
 - 1. The decision the agency is making in response to the letter of appeal; and
 - 2. The person's right to appeal the agency response by submitting a letter of appeal to the ASRS Director or such director's designee.
- C. A person who is not satisfied with the agency response pursuant to subsection (B) may submit a letter of appeal to the ASRS Director or such director's designee within 60 days of the date on the agency response letter.
- D. Within 30 days of the date the ASRS receives a letter of appeal pursuant to subsection (C), the ASRS director or such director's designee shall send a response letter by certified mail to the person requesting the appeal that includes:
 - 1. The agency action the ASRS is taking in response to the letter of appeal; and
 - 2. Notice of Appealable Agency Action, as required pursuant to A.R.S. § 41-1092.03 informing the person requesting the appeal, that the person has a right to appeal the agency action by submitting a Request for Hearing pursuant to subsections (E) and (F).
- E. For an appealable agency action, a person who is not satisfied with an agency action pursuant to subsection (D) may file a Request for a Hearing, in writing, with the ASRS. The date the Request is filed is established by the ASRS date stamp on the face of the first page of the Request. The Request shall include the following:
 - 1. The name and mailing address of the member, employer, or other person filing the Request;
 - 2. The name and mailing address of the attorney for the person filing the Request, if applicable;
 - 3. A concise statement of the reasons for the appeal.
- F. The person requesting a hearing shall file the Request for a Hearing with the ASRS within 30 days after receiving a response letter including a Notice of an Appealable Agency Action, pursuant to subsection (E).
- G. Upon receipt of the Request for a Hearing, the ASRS shall notify the Office of Administrative Hearings as required in A.R.S. § 41-1092.03(B).
- H. Pursuant to subsection (B):
 - 1. The long-term disability vendor shall send a response letter to the person requesting the appeal within 120 days of the date the long-term disability vendor receives the letter of appeal; and
 - 2. The ~~designated appeals officer~~, ~~Member Services Division Assistant Director~~, or such ~~director's~~ ~~officer's~~ designee, shall send a response letter to the person requesting the appeal within 30 days of the date the ASRS receives the letter of appeal.
- I. The Board has delegated to each Health Plan Vendor the authority to:
 - 1. Interpret and apply the terms of the Health Plan Vendor's particular Health Plan;
 - 2. Determine whether a particular benefit is included in the Health Plan and, if included, the amount of payment to be made under the Health Plan; and
 - 3. Perform a full and fair review of any decision by the Health Plan Vendor regarding benefits included in or payments to be made under the Health Plan if the decision is appealed in accordance with the Health Plan Vendor's specified procedures.
- J. An individual who is enrolled in a Health Plan made available by ASRS and who wishes to appeal a decision by the Health Plan Vendor shall follow the appeal procedures specified in the applicable Health Plan description.

NOTICE OF FINAL RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

[R26-25]

PREAMBLE

- 1. **Permission to proceed with this final rulemaking was granted under A.R.S. § 41-1039 by the governor on:**
October 23, 2024
- 2.

<u>Article, Part, or Section Affected (as applicable)</u>	<u>Rulemaking Action</u>
R2-8-903	Amend
- 3. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
Authorizing statute: A.R.S. § 38-714(E)(4)
Implementing statute: A.R.S. §§ 38-711 et seq.
- 4. **The effective date of the rule:**
April 18, 2026
 - a. **If the agency selected a date earlier than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):**
Not applicable
 - b. **If the agency selected a date later than the 60-day effective date as specified in A.R.S. § 41-1032(A), include**

Arizona Administrative Register
NOTICES OF FINAL RULEMAKING

the later date and state the reason the agency selected the later effective date as provided in A.R.S. § 41-1032(B):

Not applicable

5. Citations to all related notices published in the Register that pertain to the current record of the proposed rule:

Notice of Rulemaking Docket Opening: 31 A.A.R. 2779; Issue Date: August 29, 2025; Issue Number: 35; File Number: R25-202
Notice of Proposed Rulemaking: 31 A.A.R. 2752; Issue Date: August 29, 2025; Issue Number: 35; File Number: R25-196

6. The agency's contact person who can answer questions about the rulemaking:

Name: Jessica Thomas
Title: Government Relations Officer
Address: 3300 N. Central Ave., Ste. 1400
Phoenix, AZ 85012
Telephone: (602) 240-2039
Email: JessicaT@azasrs.gov
Website: www.azasrs.gov

7. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

The ASRS needs to amend its rules related to Average Monthly Compensation (AMC) in order to better reflect how ASRS calculates the member's AMC. Such clarification will ensure the rules are clear, concise, and consistent and the public is aware of how the ASRS calculates a member's AMC.

8. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

9. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

10. A summary of the economic, small business, and consumer impact:

The ASRS promulgates rules that allow the agency to provide for the proper administration of the state retirement trust fund. ASRS rules affect ASRS members and ASRS employers regarding how they contribute to, and receive benefits from, the ASRS. The ASRS effectively administers how public-sector employers and employees participate in the ASRS. As such, the ASRS does not issue permits or licenses, or charge fees, and its rules have little to no economic impact on private-sector businesses, with the exception of some employer partner charter schools, which have voluntarily contracted to join the ASRS. Thus, there is little to no economic, small business, or consumer impact, other than the minimal cost to the ASRS to prepare the rule package. The rule will have minimal economic impact, if any, because it merely clarifies how the ASRS shall calculate AMC based on current statutory requirements.

11. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

Not applicable

12. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

Not applicable

13. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

None of the rules requires a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Arizona Administrative Register
NOTICES OF FINAL RULEMAKING

There are no federal laws applicable to these rules.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

14. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable

15. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

Not applicable

16. The full text of the rules follows:

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

ARTICLE 9. COMPENSATION

Section

R2-8-903. Accrual of Credited Service and Calculating Average Monthly Compensation

ARTICLE 9. COMPENSATION

R2-8-903. Accrual of Credited Service and Calculating Average Monthly Compensation

- A. A member shall accrue service credits pursuant A.R.S. § 38-739 for each month in which the Employer's pay period ends and for which contributions have been remitted to the ASRS, except for pay the member receives from the Employer for services rendered in a prior pay period for which contributions were remitted pursuant to R2-8-902.
- B. Regardless of whether the member meets membership requirements with more than one Employer, a member may not earn more than one month of service credit in a calendar month and not more than one year of service credit during a ~~fiscal~~ service year.
- C. Each month, a member shall accrue service credit, proportionate to the member's normal work year according to A.R.S. § 38-739.
- D. The ASRS shall calculate the member's Average Monthly Compensation proportionately based on the member's service year according to A.R.S. §§ 38-711 and 38-739.
- E. For the purposes of this section, "Normal Work Year" means a period of nine months or 12 months as determined by employment.

NOTICE OF FINAL RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 11. DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY STANDARDS

[R26-26]

PREAMBLE

1. Permission to proceed with this final rulemaking was granted under A.R.S. § 41-1039 by the governor on:

January 30, 2025

2. Article, Part, or Section Affected (as applicable) Rulemaking Action

Appendix B

Amend

Table B

Amend

3. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. §§ 49-104(B)(4), 49-203(A)(1), 49-221, and 49-222

Implementing statute: A.R.S. §§ 49-242

4. The effective date of the rule:

April 18, 2026

a. If the agency selected a date earlier than the 60-day effective date as specified in A.R.S. § 41-1032(A),