

Summary of 2006 Retirement Legislation

The 47th Legislature-Second Regular Session adjourned June 22, 2006. The general effective date for bills passed is September 21, 2006, unless otherwise noticed.

Below is a brief summary of bills that have been passed into law that may affect ASRS members. To view legislation in its entirety, visit the Arizona State Legislature website at www.azleg.gov

Senate Bill 1167 – Optional Forms of Retirement (Laws 2006, Chapter 309)

This bill, signed by the Governor on June 1, 2006, amends statutes to limit the ability of a retired member of the ASRS to alternate between retirement benefit options. A member who retires after the effective date may exercise a one-time election to rescind the joint and survivor annuity or period-certain option and select a new annuity option, if the originally named annuitant dies or ceases to be a contingent annuitant under the terms of a qualified domestic relations order.

Note: Effective July 1, 2008.

Senate Bill 1168 – Federal Conforming Changes (Laws 2006, Chapter 157)

This bill, signed by the Governor on April 17, 2006, modifies state statutes to conform to federal law regarding: contributions paid for qualifying active members called to active military service; beneficiaries and payments made when no beneficiary survives the member; survivor benefit calculations and granting the ASRS Board the authority to determine a rate; and minimum required distributions of retirement benefits in accordance with the Internal Revenue Code.

House Bill 2082 – Spousal Notification (Laws 2006, Chapter 103)

This bill, signed by the Governor on April 12, 2006, places in law the following requirements on the part of the ASRS member:

- > A member is required to notify their current spouse at any time a beneficiary is designated, if the beneficiary designated is someone other than the current spouse; and,
- > A retiree is required to notify their current spouse at any time a change to their beneficiary or annuity option is made, if the current spouse is a beneficiary.

House Bill 2103 – Termination Incentive Program (Laws 2006, Chapter 106)

This bill, signed by the Governor on April 12, 2006, clarifies statutory language put in place last year by changing the term “retirement” to “termination.” The statute regulates employer incentive programs that lead to employees terminating employment and any monetary incentives that may be provided that may affect contributions due to the ASRS.

House Bill 2113 – Continuation of the ASRS (Laws 2006, Chapter 125)

This bill, signed by the Governor on May 8, 2006, extends the statutory life of the ASRS for 10 years through July 1, 2016.

House Bill 2340 – Repeal of the ASRS Modified DROP Program (Laws 2006, Chapter 12)

This bill, signed by the Governor on March 24, 2006, repeals statutes passed into law in 2001 and modified in 2003 that allowed for the creation of a Deferred Retirement Option Plan to be offered through the ASRS. Implementation of a modified DROP program would have led to increased contribution rates for all members and employers.