

## Summary of 2007 Retirement Legislation

The 48<sup>th</sup> Legislature-First Regular Session adjourned June 20, 2007.

Below is a brief summary of bills that have been passed into law that may affect ASRS members and employers. To view legislation in its entirety, visit the Arizona State Legislature website at [www.azleg.gov](http://www.azleg.gov)

All bills listed below are effective on the general effective date (September 19, 2007) unless otherwise noted.

### **Senate Bill 1200 – Public supplemental defined contribution plans (Laws 2007, Chapter 98)**

Signed by the Governor on April 18, 2007, this bill:

- Allows the employee to determine whether employer matching money will be made to the plan in which the employee participates or to any other savings plan of the employer (i.e., 403(b), 457, 401(a)).
- Removes the 1% minimum employee contribution.
- Clarifies that an employee may contribute either a percentage of gross compensation, a fixed dollar amount, an amount specified in the plan, or some other definitive amount that may not be modified or revoked by the employee, rather than only a percentage of compensation.

### **Senate Bill 1556 – ASRS postdoctoral scholars (Laws 2007, Chapter 173)**

Signed by the Governor on May 2, 2007, this bill:

- Exempts postdoctoral scholars from ASRS membership.

### **House Bill 2145 – ASRS long term disability amendments (Laws 2007, Chapter 114)**

Signed by the Governor on April 24, 2007, this bill:

- Modifies the Social Security offsets from 64% of SS Disability and 83% of SS Retirement to 85% for a member who becomes disabled on or after July 1, 2008, but excludes from the offsets attorney fees approved by SS rules, reasonable documented costs of securing a disability benefit, and any COLAs from the offsets.
- Modifies the pre-existing condition look back provisions from 3 months to 6 months for a member hired on or after July 1, 2008.
- Requires the ASRS to recover overpaid money by reducing a benefit owed to any member, beneficiary, or alternate payee.

### **House Bill 2147 – ASRS investment management (Laws 2007, Chapter 270)**

Signed by the Governor on July 2, 2007, this bill:

- Removes the requirement that a fund manager must have \$250 million currently under advisement, but clarifies that experienced employees within a firm meet the 3-year experience requirement.
- Establishes that proprietary commercial information connected with ASRS's investments is confidential and not a public record if the information would not customarily be released to the public by the person or entity from whom the information was obtained.
- Increases the total foreign investment cap from 20% to 30%.

**House Bill 2148 – ASRS active military service credit (Laws 2007, Chapter 244)**

Signed by the Governor on June 13, 2007, this bill:

- Changes the term “presidential” call-up to “military” call-up.
- Adds that a death or disability may be “during” active military service in addition to “as a result of” active service.
- Allows a member who was activated into U.S. military service and became disabled as a result of or during the service to purchase that active service time from the date service started through one year after the member's date of disability. Provision effective until June 30, 2009.
- Makes other technical and conforming changes.  
Note: Effective retroactively to July 1, 2007.

**House Bill 2311 – Retiree health insurance – rural subsidy (Laws 2007, Chapter 253)**

Signed by the Governor on June 20, 2007, this bill:

- Extends the rural health insurance subsidy for Medicare-eligible ASRS, EORP, PSPRS and CORP retirees for an additional 2 years through fiscal year 2009, from July 1, 2007 through June 30, 2009.
- Specifies that a member living in a non-service area who is enrolled in a managed care program is not eligible for the premium benefit supplement.