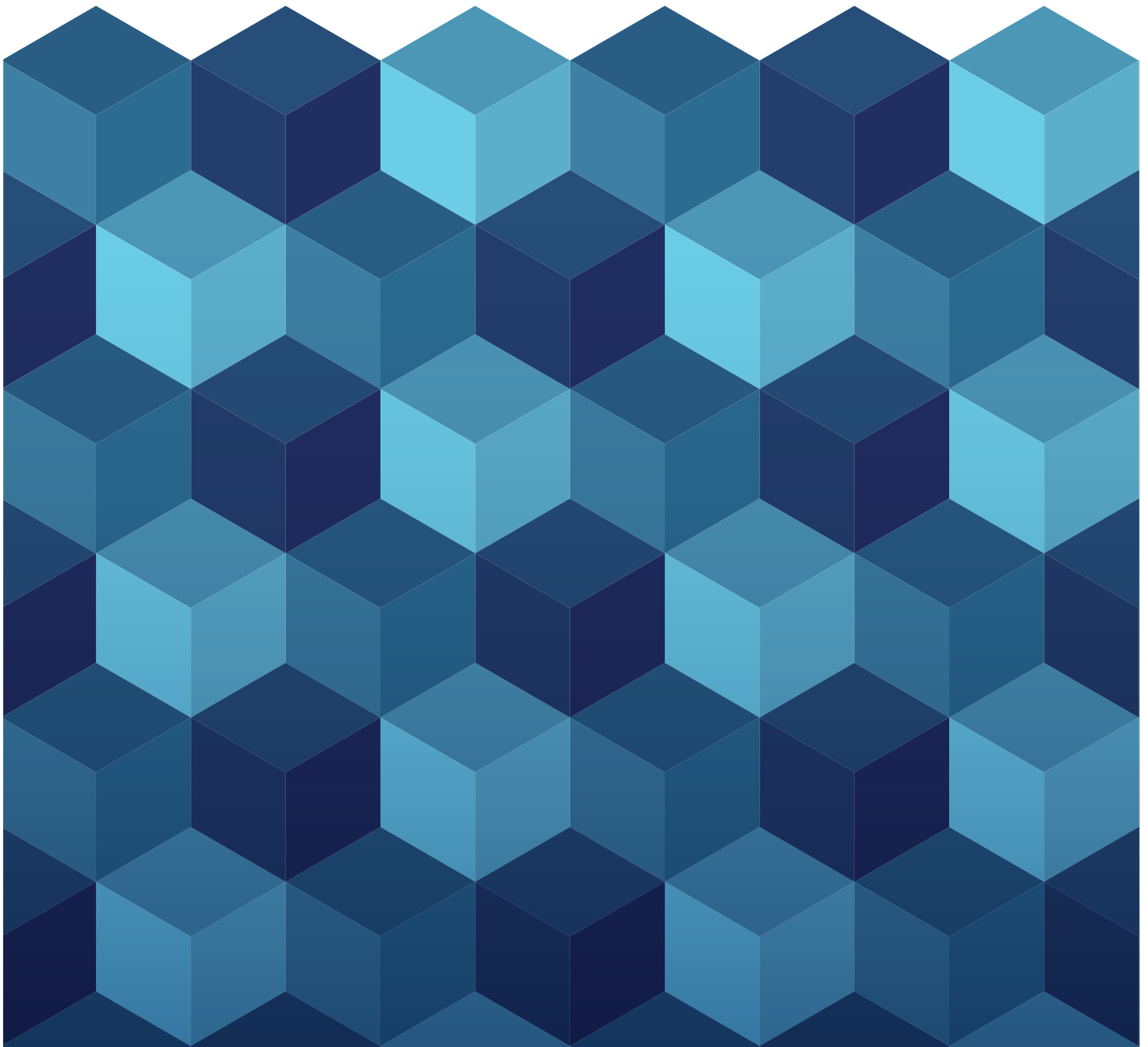




ARIZONA STATE
RETIREMENT SYSTEM

Your investment.
Your future.
Secure for your lifetime.

ASRS Basics For Employers FY2025



NOTES

SERIES TOPICS

- Overview of the ASRS
- Benefits of ASRS membership
 - Pension Benefit
 - Health Insurance Premium Benefit
 - Long Term Disability
 - Supplemental Savings Plans
- Membership Eligibility
- Enrollment
- Compensation
- Contribution Reporting
- Employer Termination Incentive Programs
- Service Purchase
- Retirement
- Refunds
- Working After Retirement
- How to Contact the Team

WELCOME

- This booklet is a companion to the live Basics meetings. It may contain more text and written explanation than you see and hear in the live meeting, but is not a substitute for attendance. Please take notes as needed and ask questions as they arise – your fellow attendees may benefit from hearing your question and its answer.
- The topics covered in the Basics Series are explained in more detail within the ASRS Employer Manual.
 - Download the Employer Manual from the ASRS website (Employer Reference Materials page) – it is accessible without logging in to your employer user account.
 - The PDF (electronic copy) contains links throughout for swift and easy navigation. We recommend saving a copy to your computer for easy access.
 - The Employer Manual is updated as needed, with a thorough update every two years. The current version was updated and published in June 2023.

ASRS WEBSITE OVERVIEW

- Throughout this meeting we will reference online applications that are available to registered employer users of the ASRS website. Some applications are available to all registered users, regardless of additional roles assigned. Others are available to registered users based on access assigned by an *Employer Administrator*.

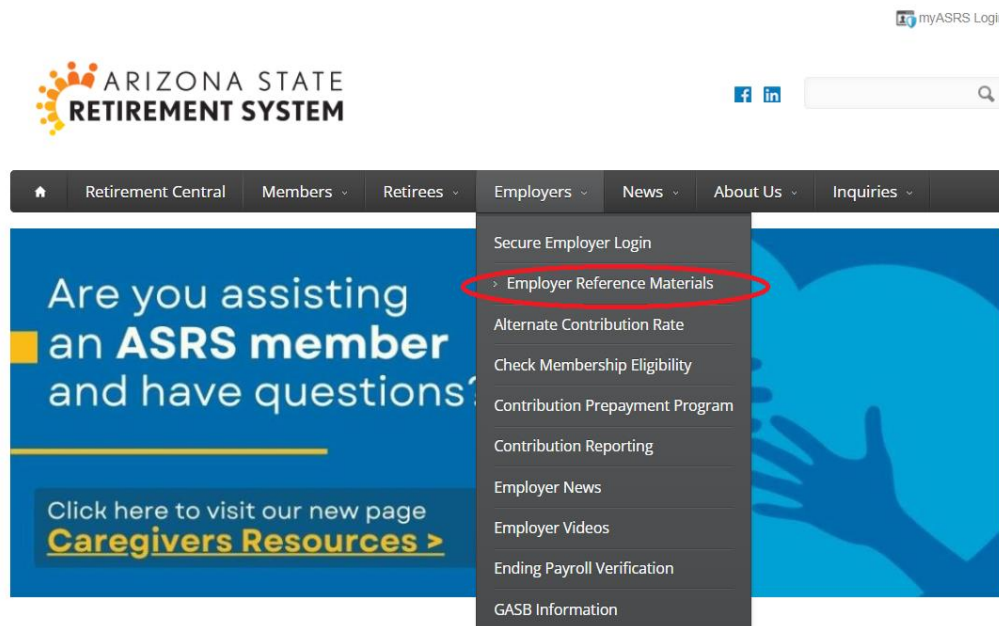
Employer Responsibility

- Each employer must have at least one *Employer Administrator*, but we strongly recommend having two to allow for easy succession should one leave. You can find information about all the roles and responsibilities of Employer Administrators within the *Secure Employer Website Administrator Guide* on the Employer Reference Materials page of the public ASRS website.

ASRS WEBSITE OVERVIEW

The ASRS maintains a public website (accessible to anyone) and a secure website (employer and member accounts, accessible only to registered users).

- **Public website <https://www.AzASRS.gov>:**
 - Employers page/section comprises topical pages, including:
 - Employer Reference Materials page contains the Employer Manual and employer guides for online applications.



- Employer Videos page includes informational/instructional videos specifically for employers.
- **Secure employer website:**
 - Employers may maintain employer user accounts or as many employer users as needed.
 - Each employer user may be assigned roles pertaining to online applications, or may be assigned a contact type for LTD (which we will briefly cover in this meeting).
 - All registered employer users have access to the following functions without requiring a role or contact type to be assigned:
 - Secure Messages
 - Employer Meeting Registration
 - Forms & Packets
 - Check Member Eligibility

ASRS WEBSITE OVERVIEW

- **Secure Messages**
 - Use this application to contact the ASRS with any questions you may have, or to send documents/forms to the ASRS.
 - Because this application is housed within the ASRS secure employer website, you may use it to transmit sensitive information when necessary. For inquiries involving a specific employee, you may be asked to provide the member's name and full Social Security Number (SSN) within the secure message.
 - Learn all the details about the Secure Messages application by watching the Employer Video or reviewing the PDF user guide.
- **Employer Meeting Registration**
 - This page contains a link to the current schedule of available employer meetings. Currently this could include ASRS Basics for Employers or Employer Conference meetings. There may be times when no meetings are available for registration.
 - If you register for an employer meeting, but do not receive an email confirming your registration, please contact the ASRS so Employer Relations can research and resolve the situation.
- **Forms & Packets**
 - This page contains forms and packets that are not generally available on the public website. Most of these documents are housed on this page so that they are only available to those authorized to use them.
 - ASRS Employer Administrator Initial Authorization and Designation Form
 - Employer Vendor ACH Direct Deposit Form
 - 65+ Membership Waiver
 - LTD claim packets
 - Health Insurance Premium Benefit program forms
- **Check Member Eligibility**
 - This application enables employers to learn the ASRS status of an employee based on their SSN and date of birth.
 - More information on this tool is provided in this booklet within the topic of Membership. You may also find the PDF employer user guide useful, which can be downloaded from the Employer Reference Materials page.

ASRS OVERVIEW: HISTORY AND STRUCTURE

- **The ASRS was founded in 1953 as a pension plan for employees of Arizona:**
 - State (agencies, departments, boards, commissions, etc.)
 - Counties
 - Municipalities
 - Public schools
 - Universities operating under the Arizona Board of Regents
 - Community colleges
 - Political Subdivisions of the State (e.g. fire districts, irrigation districts, etc.)
- The ASRS is a Defined Benefit pension plan. The Arizona Revised Statutes (A.R.S.), which are state laws, and the Arizona Administrative Code (A.A.C.), also referred to as administrative rules, outline the structure of the ASRS.
- The ASRS is operated on a day-to-day basis by its management team. The Executive Director reports to the ASRS Board of Trustees.
- As a 401(a) Defined Benefit plan, the ASRS is structured differently than other types of retirement plans, such as a 401(k) or 457, which are Defined Contribution plans.
- Some general differences between the ASRS and a Defined Contribution plan:
 - The ASRS retirement benefit is calculated by a formula, as opposed to the amount of contributions that have been made and their investment earnings.
 - The ASRS retirement benefit is guaranteed for the rest of the member's life.
 - In a Defined Contribution plan, once the individual has taken distributions from their account that exhaust its balance, there is no more benefit to be paid out.
 - In the ASRS, typically within 5-7 years after retirement begins, the cumulative amount the member has received in pension benefits each month adds up to the total balance of what that member's account contained in contributions and interest at the time of retirement. But it doesn't matter, because the benefit amount is not based on the amount of contributions, and the benefit is guaranteed for the rest of the member's life.
- Visit Appendix A of the Employer Manual for more information about Defined Benefit and Defined Contribution plans.

ASRS OVERVIEW: HISTORY AND STRUCTURE

- **The ASRS is funded by:**
 - Employee and matching employer contributions
 - Interest
 - Dividends
 - Investment income
- **The ASRS pays out:**
 - Member benefit payments
 - Administrative and operational expenses
- **There are different statuses for members of the ASRS:**
 - **Active** members are those who are currently working for an ASRS participating employer and meeting membership criteria; these are members currently paying contributions into the ASRS.
 - **Inactive** members are those who have been active in the past, but are not active currently. This could be because they are not a current employee of an ASRS employer, or they do not meet ASRS membership criteria, or 30 days have passed since their last posted contributions. They have contributions on account and have not applied to withdraw/refund their account or retire.
 - **Retired** members are no longer active members. They are currently receiving their pension benefit. A small portion of retired members received their pension benefit in one lump sum instead of monthly throughout their lifetime. However, they are still ASRS retirees for purposes of ASRS statutes and rules, which means they are subject to retiree return-to-work laws and they are eligible to enroll in health coverage available to ASRS retirees.
 - **LTD** recipients are members who were active, and now are currently receiving a Long Term Disability (LTD) benefit. Members receiving LTD are not retired, and while they are not actively contributing while on LTD, they still accrue service credit.
- **People who are not members fall into one of two categories:**
 - Those who have never been an ASRS member before
 - Those who are former ASRS members who refunded/forfeited their membership
- Visit chapter 2 of the Employer Manual for more information about the history and structure of the ASRS.

BENEFITS OF ASRS MEMBERSHIP: PENSION

- Although there are multiple benefits to ASRS membership, the primary one is the retirement, or pension benefit. As we already learned, the ASRS retirement benefit is guaranteed to be paid for the rest of the retiree's life. Depending on the annuity option chosen, a survivor/beneficiary may also be eligible for a benefit for the rest of their life as well.
- **Retirement Eligibility**
 - There are multiple definitions for retirement eligibility. Some of them are applicable only to those who began ASRS membership prior to a particular date.
 - Early Retirement is available to members as soon as they are at least age 50 and have at least 5 years of ASRS service credit. Early retirement means the amount of the benefit will be actuarially reduced. This reduced benefit will not increase once the retiree reaches full (normal) retirement eligibility.
 - Normal Retirement is the criteria at which the retiree will receive a full retirement benefit; in other words, not reduced for being early. There are multiple ways to reach normal retirement. Normal retirement is achieved by whichever criteria the member reaches first.
 - All members can reach normal retirement when:
 - They reach age 65 (with any amount of service credit)
 - They reach age 62 and have at least 10 years of service credit
 - Those whose ASRS membership began prior to July 1, 2011 can also reach normal retirement with 80 points
 - Age + Service Credit = Points
 - e.g. age 57 + 23 years of service credit = 80 points
 - Those whose ASRS membership began July 1, 2011 and afterward cannot reach normal retirement with points, but they can reach it when:
 - They reach age 60 and have at least 25 years of service credit
 - They reach age 55 and have at least 30 years of service credit
- **Retirement benefit calculation**
 - The monthly retirement benefit is calculated by multiplying three numbers:
 - Years of service credit
 - Average Monthly Compensation (or AMC)
 - Graded multiplier

BENEFITS OF ASRS MEMBERSHIP: PENSION

- **Retirement benefit calculation: Service Credit**
 - Each month in which a member contributes to the ASRS counts as one month of ASRS service credit. Service credit is broken down as small as one month; in other words, someone working and contributing for one day, one week, two weeks, etc. would earn one month of service credit.
 - School employees accrue service credit on the basis of a 9-month year. This means if they start contributing in August, they will have accrued one full year of service credit by the following April. However, that does not mean they would be able to stop contributing for the rest of the fiscal year.
 - No one can earn more than one year of service credit in the same year. If a member worked six months as a school employee and the other six months as a non-school employee, they would only be able to accrue a total of 1.0 years of service credit for that fiscal year.
- **Retirement benefit calculation: Graded Multiplier**
 - This figure ranges from 2.1% to 2.3%, and is based solely on the number of years of service credit. For fewer than 20 years of service credit, the multiplier used is 2.1%. At 20 years, it is 2.15%, at 25 years, it is 2.2%, and at 30+ years, it is 2.3%.
- **Retirement benefit calculation: Average Monthly Compensation (AMC)**
 - This piece of the calculation is different depending on when the member began participating in the ASRS. Looking at the final 120 months of compensation before retirement, the AMC is an average of the highest consecutive 60 months, or 36 months:
 - Membership began before January 1, 1984
 - Highest 60 months
 - Includes termination pay
 - Membership began between January 1, 1984 and June 30, 2011
 - Highest 36 months
 - Excludes termination pay
 - Membership began on or after July 1, 2011
 - Highest 60 months
 - Excludes termination pay
- Visit chapter 2 of the Employer Manual for more information about the benefits of membership in the ASRS.

BENEFITS OF ASRS MEMBERSHIP: PENSION

Employer Responsibility

- Regarding the retirement benefit, it is the employer's responsibility to ensure that all eligible employees (and only those who are eligible) participate in the ASRS. This includes:
 - Making sure eligible employees register using the Online Enrollment process
 - Applying the contribution rate only to amounts that qualify as ASRS compensation, and remitting those contributions to the ASRS
 - When a member applies for retirement, it is the employer's responsibility to complete and submit an Ending Payroll Verification accurately and timely.
- Visit chapter 8 of the Employer Manual for more details.

BENEFITS OF ASRS MEMBERSHIP: LONG TERM DISABILITY (LTD)

- The LTD plan provides for a monthly benefit designed to partially replace income lost if a member is unable to work due to an illness or injury. It is a benefit that is available to all active members; it is part of the contribution rate and is not optional.
- A third party administers the LTD program; currently the administrator is Broadspire.
- There is a six-month waiting period before LTD benefits can begin.
- Once a member begins receiving LTD benefits, they earn ASRS service credit while receiving LTD.
- Members can be eligible for LTD while they are active members, up to the point of retirement. Retirees are ineligible for LTD benefits, even if they have returned to work.
- All ASRS LTD documents are located on the ASRS website:
 - Employer Guide & Employee Guide (both found on the public website)
 - Employer & Employee Claim Packets
 - Log in to employer user account, download from the Forms & Packets link on the left side menu.

BENEFITS OF ASRS MEMBERSHIP: LONG TERM DISABILITY

(LTD) Employer Responsibility

- Assign at least one LTD Associate. This is accomplished on the Maintain Employer Users page by a registered employer user with the *Employer Administrator* role.

Maintain Employer Users

The following table contains the list of users for your employer. You may "Add a New Employer User" at the bottom of this page. You may deactivate or modify application group(s) for individual users by selecting their Login ID.

For your convenience, deactivated users will continue to be displayed for 6 months.

Login ID	First Name	Last Name	Status	Application / Group
----------	------------	-----------	--------	---------------------

- **For LTD Associate:**

- Once LTD Associate information has been updated, Broadspire will send registration information to the LTD Associate.
- When assigning a contact, make sure to **assign to an existing employer user** instead of creating a contact. You can recognize whether it is an existing employer user by the ASRS Login ID column. (A contact without a user account will not have an ASRS Login ID.)
- **Contacts that do not have an employer user account cannot download claim packets or send Secure Messages.**

- For more information on LTD Contacts, review the *Secure Employer Website Administrator Guide* on the Employer Reference Materials page of the ASRS public website.
- Visit chapter 9 of the Employer Manual for more information about the LTD program.

LTD Associate

Must be registered as a web user to access LTD packets and secure email.

- Sign LTD Employer claim packets
- Can discuss claims with Broadspire (phone and email)
- Can login to Broadspire claims system online
- Receive Monthly Claims Activity Reports
- Receive all emails
 - claim received email
 - return to work email
 - claim approval email
 - termination/denial notice email
- Receive approval letter
- Receive denial letter

LTD Signer Only

Must be registered as a web user to access LTD packets and secure email.

- Sign LTD Employer claim packets
- Can discuss claims with Broadspire (phone and email)

BENEFITS OF ASRS MEMBERSHIP: LONG TERM DISABILITY (LTD)

Employer Responsibility

- Provide the Employee Claim packet to the employee when an employee has been unable to work, began working in a restricted capacity, or upon employee request. Do not delay in providing the packet.
- Document the date you provided the Employee Claim packet, and enter this information on the Employer Claim packet in the appropriate information field.
- Complete the Employer Claim packet.
- Submit both claim packets.
 - If Broadspire receives the employee’s portion of the claim packet without the employer’s portion, Broadspire will contact the employer for the employer section.
 - If Broadspire doesn’t receive the employer portion within 30 days from the date Broadspire requests it, they may deny the claim based upon employer not providing information.
- Someone with a contact assignment (either LTD Associate or LTD Signer Only) must submit the claim packets and documentation directly to the LTD Administrator using Secure Messages.
 1. Create a new thread
 2. Attach claim packet or other documentation to the message. You may only attach one file with a 10MB maximum per message.
 3. Click **Send LTD Documents**. DO NOT click “Send” because this will route the LTD documents to the ASRS instead of the LTD Claims Administrator.

Create Secure Thread

Subject

Select Category
LTD

B I U

Type your message here

No file chosen

BENEFITS OF ASRS MEMBERSHIP: HEALTH INSURANCE

- The ASRS offers group health insurance to its retirees and LTD recipients. There are plans for medical and dental insurance, for non-Medicare and Medicare.

BENEFITS OF ASRS MEMBERSHIP: PREMIUM BENEFIT

- ASRS retirees and LTD recipients may be eligible for a premium benefit, which helps offset their out-of-pocket monthly premium costs for health insurance.
- To be eligible, they must:
 - Be either an ASRS retiree or LTD recipient,
 - Have at least 5 years of ASRS service credit, and
 - Have **unsubsidized** group coverage through an ASRS Employer (which includes COBRA) or ASRS Retiree Health Insurance coverage.
- The ASRS health insurance premium benefit is for the individual member on the group coverage; it is not an employer benefit or subsidy.

Employer Responsibility

- Visit the Forms & Packets page to download PDF fillable forms. Complete the forms and use Secure Messages to submit the forms, as applicable for retirees or LTD recipient.
 - **Employer/Vendor ACH Direct Deposit form:** when setting up or changing direct deposit account for premium benefit payments
 - **Health Insurance Annual Plan & Premiums Packet:** annually, or whenever plans/rates change
 - **Health Insurance Premium Benefit Authorization form:** to initiate the monthly premium benefit payments for a retiree via employer.
 - **Health Insurance Change/Deletion form:** if a retiree's coverage changes or ends
 - **Reimbursement of Medical and/or Dental Cost (Six-Month Reimbursement Program) form** instead of an Authorization form (**only for eligible retirees**): every six months, for periods of coverage occurring in January through June, and July through December. Eligible retirees or are:
 - Covered on **active** employee health insurance either as a policy holder (as a return-to-work, benefit eligible retired employee) or as a dependent (such as on a non-retired spouse's active employee health insurance)
 - And retired or on LTD **prior to August 2, 2012**. Those who retired after this date are not eligible for the premium benefit if they have active employee coverage, because active coverage is already subsidized by the employer.

BENEFITS OF ASRS MEMBERSHIP: PREMIUM BENEFIT

Employer Responsibility, continued

- Ensure at least one employer user has the **HI Premium Benefit Specialist** role.
 - An **Employer Administrator** can assign this role in Maintain Employer Users.
 - An **HI Premium Benefit Specialist** must visit the Reports link on the left navigation menu to download and review the Monthly Reconciliation Report to identify the individual benefit amounts contained in the payment.
- Visit chapter 9 of the Employer Manual for more details.

BENEFITS OF ASRS MEMBERSHIP: SURVIVOR BENEFIT

- The beneficiary of an ASRS member who passes away prior to retirement is eligible to receive a survivor benefit. This is an amount equal to all of the member's ASRS contributions, matching employer contributions, any service purchase payments previously made, plus interest.
- This is why ASRS members should ensure they have registered their account and designated a beneficiary.

Employer Responsibility

- When an employee passes away, anyone can report the member's death to the ASRS – it does not have to be reported by the employer. The person reporting the information must be able to provide the member's name, SSN, and date of death.
- Ensure at least one employer user has the **EPV Specialist** role. An Employer Administrator can assign this role in Maintain Employer Users.
- An **EPV Specialist** must complete and submit the Ending Payroll Verification (EPV) timely.
- If contributions were made within the last six months, an EPV will be generated.
- Visit chapter 9 of the Employer Manual for more details.

ASRS SUPPLEMENTAL SAVINGS PLAN

Back in 2021, Senate Bill 1348 was passed and signed, effective September 28, 2021. This bill transferred the administration of the supplemental employee deferral plans for state employees from the State Governing Committee for Deferred Compensation Plans to the ASRS. ASRS then contracted with Nationwide to administer the supplemental savings plans for ASRS members.

As of July 1, 2022, the ASRS allows any employee of an ASRS employer to participate in a deferred compensation plan, if the employee meets the eligibility requirements to participate in the plan the employee elects.

The Arizona State Retirement System is an advocate of additional retirement savings to supplement members' ASRS benefits in retirement. Partnering with Nationwide Retirement Solutions, the ASRS oversees a selection of supplemental savings plans that employers can participate in and offer to their employees. The plans offered were built with the participants in mind by offering very competitive fees charged to the participants and investment options.

Employer Responsibility

Employer Responsibility:

- Share the opportunity with employees.
 - Downloadable informational flyers are available on the Supplemental Savings Plans links on both the Members and Employers tabs.
 - <https://www.azasrs.gov/content/supplement-your-retirement>
 - <https://www.azasrs.gov/content/supplemental-savings-plans>
- Facilitate employee's ability to enroll in the supplemental savings plan
 - Nationwide Retirement Solutions is the administrative services provider for each of these plans. Contact Jim Keeler of Nationwide at (602) 293-1153 or KEELERJ@Nationwide.com.
- Work with Nationwide to submit the enrollment forms.

Participant Website: <https://www.azsrsp.com/rsc-web-preauth/index.html>

Participant Solution Center: Phone: 1-888-292-1401
Monday-Friday 5 a.m. – 8 p.m.
Saturday 6 a.m. – 9 p.m.
Email: nrsforu@nationwide.com

Local Office: Phone: 602-266-2733
Monday- Friday 8 a.m. to 5 p.m.
3300 N. Central Ave, Ste. 600
Phoenix, AZ 85012

ASRS MEMBERSHIP ELIGIBILITY

- Definitions for terms like Member and Employer are found in A.R.S. § 38-711. Coverage/membership eligibility is determined solely by the ASRS statutory provisions. Therefore, if your employer has any personnel rules or policies in place that conflict with the statute, the statute takes precedence.
- We will look at some situations that affect eligibility before assessing the definition of a Member. Those are:
 - Social Security Section 218 Agreement
 - State employees 26-week waiting period
 - 65+ Membership Waiver

ASRS MEMBERSHIP: SOCIAL SECURITY § 218

- The § 218 is an agreement between the state and the federal government which originally allowed state employees to participate in social security. Each state was allowed to modify their own agreement. Arizona extended § 218 coverage to all political subdivisions of the state, and made this coverage a prerequisite for ASRS membership.
- State law changed in 2014, so that effective July 24, 2014, § 218 coverage is no longer required. But because the vast majority of ASRS employers had already joined the ASRS prior to 2014, the vast majority of ASRS employers do have a § 218 agreement.
- Although § 218 coverage is no longer required for new employers who join the ASRS, and it is no longer a prerequisite for ASRS membership, there are still some individuals who are excluded from ASRS membership because of the § 218 agreement.
- See chapter 4 and Appendix E of the Employer Manual for more information.

ASRS MEMBERSHIP: STATE EMPLOYEE WAITING PERIOD

- As of July 20, 2011, new employees of the State of Arizona who are not already ASRS members are subject to a 26-week waiting period before they can begin participating in the ASRS. This is ONLY APPLICABLE TO STATE:
 - Agency
 - Department
 - Board
 - Commission
 - University
 - Judicial Branch
 - Corporation Commission
 - Legislature

ASRS MEMBERSHIP: STATE EMPLOYEE WAITING PERIOD

Employer Responsibility

- ONLY IF your employer is the State (see previous paragraph), use Check Member Eligibility to determine if your new hires are already ASRS members.
- If they are not ASRS members, apply the waiting period before starting ASRS membership/contributions.
- If you are unsure about the status of ASRS membership, you can send a Secure Message (e.g., the status returned is Undetermined or DOB Missing).
- ADOA has the final authority on the waiting period and should be consulted if you are unsure about when an individual employee's waiting period ends.
- Remember: If your employer is not the state, there is no waiting period. For example, the waiting period does not apply to:
 - Schools (public school districts, public charter schools)
 - Cities or Towns
 - Counties
 - Community college districts
 - Housing authorities
 - Fire/Water/Sanitation/Irrigation/other districts
- See chapter 4 of the Employer Manual for more information.

ASRS MEMBERSHIP: 65+ MEMBERSHIP WAIVER

- The only time an employee of an ASRS employer (who is not excluded from ASRS membership eligibility by A.R.S. § 38-727) may opt out of participation in the ASRS is if they use the 65+ Membership Waiver, which has been available since August 2, 2012.
- The 65+ Membership Waiver Form allows new employees to opt out of ASRS membership if they meet **all of the following** criteria:
 - They must be 65 years of age or older on the first day of employment
 - They do not have an existing ASRS account/membership
 - The ASRS receives the completed waiver within 30 days after they begin employment.

ASRS MEMBERSHIP: 65+ MEMBERSHIP WAIVER

Employer Responsibility

- Provide the 65+ Membership Waiver form to new employees that do meet the criteria to opt out of ASRS membership.
- Do not consider how much the employee will be expected to work (i.e., provide the Waiver regardless of whether the employee will meet the 20/20 membership criteria).
- The Waiver can be downloaded from the Secure Employer Website from the Forms & Packets link. It is not available for public download.
- Submit the completed Waiver through Secure Messages. Do not mail or fax them.
- See chapter 4 of the Employer Manual for more information.

ONLINE APPLICATION: CHECK MEMBER ELIGIBILITY

- The Check Member Eligibility application is a tool that can aid employers in determining:
 - If employees are ASRS members
 - For the purpose of determining whether to apply the State waiting period for new members
 - For the purpose of determining whether a new employee is eligible to opt out of ASRS participation with the 65+ Membership Waiver
 - If employees are retirees for alternate contribution rate (ACR) purposes
 - After entering the employee's SSN and date of birth, the result shows whether that person is in the ASRS database by displaying a current status (see right) and the effective date of the current status.
 - Every registered employer user can access this tool by clicking on Check Member Eligibility under Other Operations. View the *Check Membership Eligibility Guide* on the Employer Reference Materials page for details.
1. **Contributing:** ASRS member actively contributing in the last 30 days.
 2. **Contributed:** ASRS member not actively contributing in the last 30 days.
 3. **Deceased:** ASRS member has a death date in our system.
 4. **DOB Error:** The SSN is in our system but the DOB provided does not match.
 5. **DOB Missing:** The SSN is in our system but the DOB is missing.
 6. **Forfeited:** Not an ASRS member due to forfeiture.
 7. **No Match:** The SSN and DOB do not match anyone in our system.
 8. **Not a Member:** Not an ASRS member.
 9. **Retired:** ASRS member is retired.
 10. **Transferred Out:** Not an ASRS member due to transfer.
 11. **Undetermined:** Status cannot be determined.
 12. **Retirement In Progress:** Retirement application is being processed.

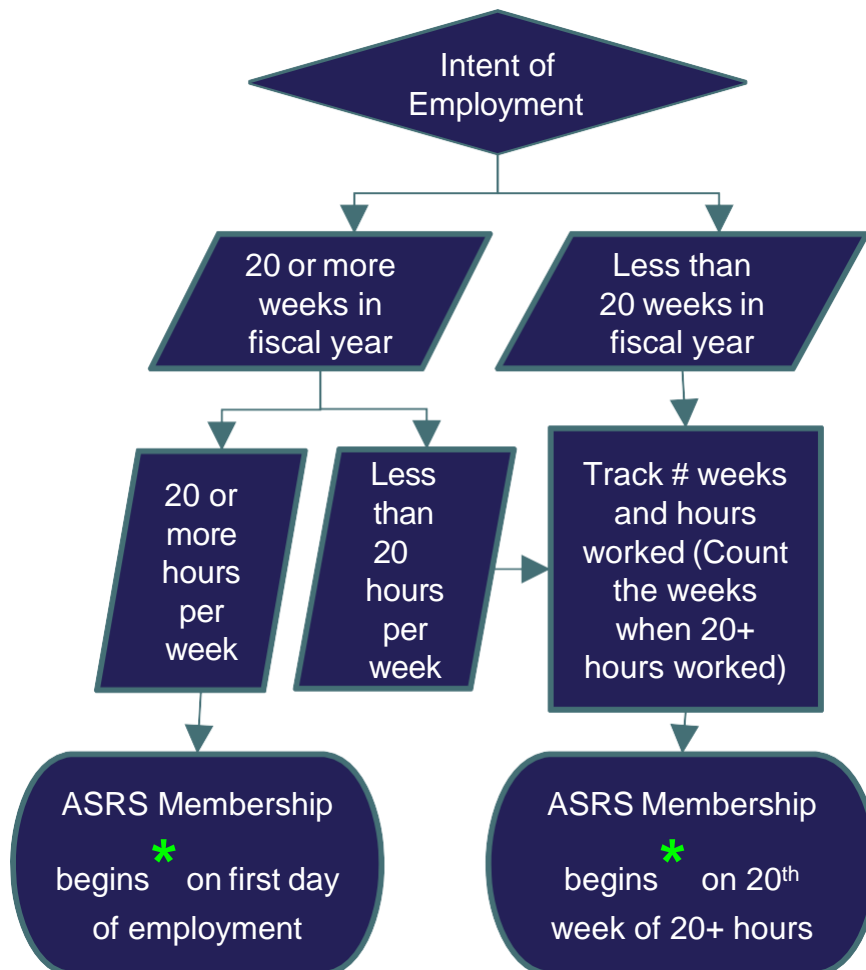
Member SSN	Date of Birth	Status ⓘ	Status Effective Date	Last Post Date ⓘ	Membership Date ⓘ
000000000	01/01/1950	NOT A MEMBER	N/A	N/A	N/A

ASRS MEMBERSHIP ELIGIBILITY: MEMBERSHIP CRITERIA

- The definition of an ASRS member, and specifically what we refer to as the 20/20 Membership Criteria, is contained in A.R.S. § 38-711(23)(b).
 - Member: “Means all employees of an employer who are eligible for membership pursuant to § 38-727 and who are engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week”

Employer Responsibility

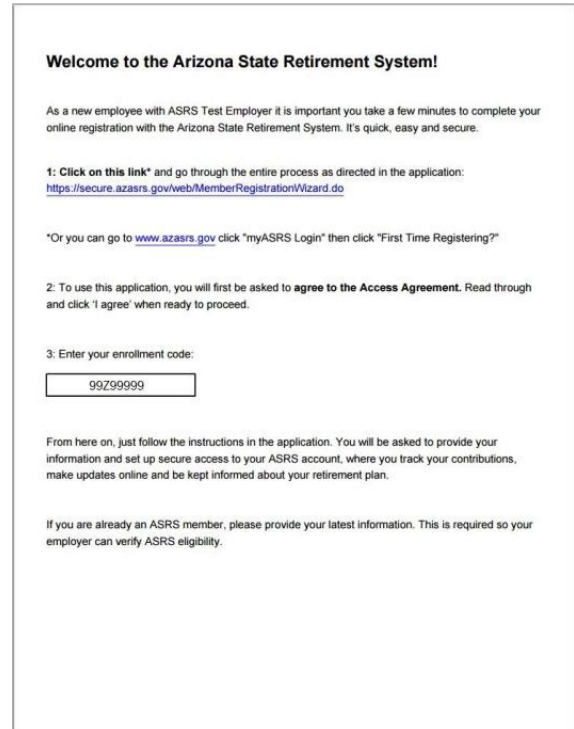
- Apply the 20/20 test to determine whether an employee is eligible to participate in the ASRS.
- Remember that the 20 weeks do not have to be consecutive.
- State employers* must first assess whether the waiting period applies.
- Once an employee meets membership eligibility, contributions continue through the end of the fiscal year (June 30) - even if 20/20 status changes due to a drop in hours or new position mid-year.



ASRS MEMBERSHIP: ONLINE ENROLLMENT/REGISTRATION

Employer Responsibility

- After determining an employee is eligible for ASRS membership, you must provide them with the instructions to register their ASRS account. There are two steps to their first registration, beginning with the Enrollment. This is why the Employee Online Instructions contains an Enrollment Code.
- Employer users with the *Process Enrollments* role have access to the Employee Online Instructions on the top of the Manage Enrollments page. An *Employer Administrator* can assign this role to other users from the Maintain Employer Users page.
- After the employee visits the ASRS website and follows the instructions to complete and submit their enrollment information to the employer, the employer must review and validate the demographic information, and submit the enrollment request to the ASRS.
 - Review the Online Enrollment Guide from the Employer Reference Materials page for more information and instructions for processing enrollment requests.



Manage Enrollments

We have created tips to assist you. Just look for the  icon.

Instructions:  [Employee Online Instructions](#)

Enrollments Pending Employer Verification 

[View Pending](#)

Enrollment Name

New Employees

Enrollment Code

99Z99999

Enrollments Required 

[View Report](#)

Enrollments With No Contributions 

[View Report](#)

ASRS COMPENSATION

- The ASRS contribution rate is applied to each member's gross wages and any amounts they receive that are defined as "compensation" for ASRS purposes. Contributions cannot be made on amounts that do not meet the definition of compensation for ASRS purposes. A member's compensation is one of the three parts of their retirement pension calculation (AMC, as detailed on page 8). Compensation is defined in A.R.S. § 38-711(7).
- The definition of compensation varies slightly among three groups of ASRS members, based on the employee's ASRS Membership Date.
 - Pre - 1/1/1984 (referred to as "**Pre-1984**" in the following explanation)
 - 1/1/1984 - 12/31/2019 (referred to as "**Pre-2020**" in the following explanation)
 - 1/1/2020 - future

Employer Responsibility

- Apply the contribution rate only to amounts that qualify as ASRS compensation for each member.

ASRS COMPENSATION: ALL MEMBERS

- What is **ASRS Compensation for all members**, regardless of Membership Date?
- The general definition of compensation is gross wages paid to a member by the employer for services rendered to the employer. This includes:
 - Base pay or regular pay the member receives from one or more employers
 - This means regular wages from each employer for which the member meets ASRS eligibility criteria: engaged to work at least twenty weeks in each fiscal year and at least twenty hours each week.
 - Includes pay the member receives from an employer at the completion of an employment contract by which the contract amount is paid in full for services rendered, often referred to as Balance of Contract
 - Paid leave such as when using vacation, sick leave, etc.
 - Unless otherwise indicated by law, pay the member receives from an employer in excess of the member's base pay and which is intended to reward the member for the member's performance of services rendered, regardless of when the member receives the pay
 - This means Bonus or Performance pay, regardless of when the member receives it.
 - Military Differential pay

ASRS COMPENSATION: ALL MEMBERS

- Pay the member receives from an employer in excess of the member's base pay as a result of hours during which the member did not work, but was required to be available to provide services to the employer if necessary
 - This is On-call or Standby pay.
- Pay the member receives from an employer in excess of the member's base pay for working hours:
 - During a specific time period (such as for working the Night Shift)
 - To perform duties involving physical hardship (such as Hazardous Duty)
 - To complete a specific assignment (such as pay for working an additional assignment)
 - In excess of 40 hours per week (Overtime pay)
- May be defined through Legal Action
 - Lawsuit or Settlement Agreement
 - Payment/terms must comply with ASRS statutes to be considered ASRS compensation
 - Send a copy to Employer Relations for review

ASRS COMPENSATION: PRE-2020 MEMBERS

- In addition to the pay types listed above, the following pay types are ASRS eligible compensation for **members who began participating in the ASRS prior to January 1, 2020 (Pre-2020)**:
 - Pay the member was entitled to receive based on services rendered, but which is deferred into another retirement or investment account, or which is withheld from the member's pay pursuant to other legal requirements
 - This means the member's gross wages are subject to ASRS contributions before any amounts are deferred to another account or withheld for legal reasons.
 - This includes amounts paid by the employer into a deferred compensation account for the member.
 - Non-accountable allowances, meaning a payment to the member for costs incurred that are incidental to the member's job, as long as the member is not required to provide proof or documentation of actual expenditures
 - e.g., cell phone or vehicle allowance
 - Mandatory amounts paid under an employer policy to reduce the member's accrued annual, sick, or general leave balance to a prescribed maximum (if not paid because of a member's pending termination or retirement)

ASRS COMPENSATION: PRE-1984 MEMBERS

- Members who began participating in the ASRS prior to January 1, 1984 may also include Termination Pay in their compensation.
 - If in doubt, employees preparing for retirement should contact the ASRS directly to confirm whether they began participation prior to January 1, 1984.
 - Pay the member receives from an employer as a result of the member terminating employment with that employer is Termination Pay. This typically includes payout of unused, accrued leave.
 - Regular wages that are paid in a member's final paycheck do not constitute Termination Pay.

Employer Responsibility

- When a retiring employee is a pre-1984 member, provide them with an estimate of their termination payout and direct them to contact ASRS to request a benefit estimate.
 - The ASRS will estimate their 60-month compensation average, including the termination pay, and the 36-month compensation average excluding the termination pay.
- If the 60-month average is higher, then the retiree can direct you to withhold contributions from the termination pay.

ASRS COMPENSATION: EXCLUDED PAYMENT TYPES

- There are some types of pay that are not ASRS Compensation for anyone:
- What is not ASRS Compensation?
 - **Optional** payments in lieu of fringe benefits are excluded from compensation. Common examples of this are:
 - Health insurance opt-out payments
 - Leave buybacks at the member's election
 - Reimbursements
 - This refers to payment made to repay expenses incurred by the employee on behalf of the employer for which the employee must provide receipts or documentation to the employer. This is different from non-accountable allowances, which do not involve documentation of the expenses incurred.
 - Short term disability pay
 - Worker's Compensation pay
 - State and County mandatory vacation and sick leave accumulation pay
 - Termination pay (unless it's for a pre-1984 member as discussed above)

Employer Responsibility

- Do not remit contributions based upon these types of payments.

ASRS COMPENSATION

- When determining whether a payment is compensation, use Check Member Eligibility to determine ASRS Membership Date. Even if a member has multiple employers throughout their membership, or a new membership date provided by their new employer during Online Enrollment, the member's original membership date stays the same. Members keep the same membership date unless they refund/forfeit their ASRS membership and later return to work for an ASRS employer meeting membership eligibility. They will have a new membership date, even if they reinstate (purchase) their previously forfeited service credit. The only time a member can reinstate a benefit based on membership date in that scenario is a Pre-84 member, for purposes of including termination pay in their compensation.
- See chapter 5 of the Employer Manual for more information about compensation, and Appendix C for additional information about Maximum Annual Compensation limits.

EMPLOYER TERMINATION INCENTIVE PROGRAMS (TIP)

- A.R.S. § 38-749 states if an employer TIP results in an actuarial unfunded liability, the employer is responsible for paying the cost of the liability to the ASRS.
- New rules in the Arizona Administrative Code regarding employer TIPs became effective January 1, 2018. These rules clarify how the ASRS calculates and collects the unfunded liability that is created by the implementation of an employer TIP pursuant to A.R.S. § 38-749.
- An unfunded liability can be created by an employer TIP two different ways:
 - When an ASRS member stops contributing and begins receiving benefits from the ASRS sooner than (actuarially) anticipated, the ASRS stops receiving contributions from that member sooner than anticipated and will pay benefits to that member for a longer period of time than anticipated.
 - When a member receives a 30% or more increase in salary in one or more years used to calculate their ASRS retirement benefit, the benefit is based on the increased compensation, which is significantly higher than actuarial assumptions for salary increases.

Employer Responsibility

- An employer that intends to implement a TIP must provide a complete description of the program terms and conditions along with a list of the names, dates of birth and compensation for members who may be eligible to participate in the program. This information must be submitted to the ASRS at least 90 days before implementation of the TIP.
- If the ASRS requests information to determine if a TIP exists, provide the information requested.
- If notified that the employer has a liability to pay under A.R.S. § 38-749, submit the payment required.
- See chapter 5 of the Employer Manual for more information about employer TIPs.

CONTRIBUTION REPORTING

- The ASRS contribution rates apply to ASRS compensation.
- Contribution rates are set by the ASRS Board of Trustees, by December 1, for the following fiscal year (July 1 – June 30).
- You can always find the most current rates on our Contribution Reporting webpage.

Below are the contribution rates for **fiscal year 2024-25, effective July 1, 2024, through June 30, 2025.**

	Retirement Pension	Health Benefit Supplement	Long Term Disability	Total Rate
Employee	12.12%	n/a	0.15%	12.27%
Employer	12.05%	0.07%	0.15%	12.27%
Employer-Only ACR	10.14%	0.00%	0.05%	10.19%

Below are the contribution rates for **fiscal year 2025-26, effective July 1, 2025, through June 30, 2026.**

	Retirement Pension	Health Benefit Supplement	Long Term Disability	Total Rate
Employee	11.86%	n/a	0.14%	12.00%
Employer	11.83%	0.03%	0.14%	12.00%
Employer-Only ACR	9.72%	0.00%	0.03%	9.75%

- The ASRS is structured in statutes such that employers and employees both contribute equally. The law does not allow the employer to pay both sides of the contributions or vice versa.
- Member contributions are required as a condition of employment and shall be made by payroll deduction (pre-tax). Contributions are calculated by applying the contribution rate to all eligible compensation.

Employer Responsibility

- Each employer shall certify on each payroll the amount to be contributed and shall remit the contributions to the ASRS.
- Employers cannot choose to pay contributions on a different schedule.
- Report contributions to the ASRS using the online contribution reporting system, either with the File Upload or Web Based online application. An *Employer Administrator* can assign contribution reporting roles from the Maintain Employer Users page.

CONTRIBUTION REPORTING

- Review the user guides on the Contribution Reporting page of the ASRS website for detailed instructions.
- Report contributions by Pay Period End (PPE) date, which is the last day in a pay period, not necessarily the pay date.
 - Contributions are due within 14 calendar days after the PPE date.
 - Interest is charged on delinquent payrolls at 7.5%.
 - Be aware that delinquent contributions will be levied after 60 days.
- Review chapter 6 of the Employer Manual for more information, particularly about **special reporting situations**. The Employer Manual and all application user guides can be downloaded from the Employer Reference Materials page of the ASRS website.

CONTRIBUTION REPORTING ERRORS

- A.R.S. § 38-738 allows for adjustment and refund when an error has occurred.
- An underpayment of contributions occurs either because contributions did not begin when an employee met ASRS membership criteria, or contributions were not remitted on all eligible ASRS compensation.
- An overpayment of contributions occurs either because contributions were remitted for someone who did not meet membership eligibility, or contributions were remitted on amounts that do not meet the definition of ASRS compensation.

CONTRIBUTION REPORTING ERROR: UNDERPAYMENT

- An error of underpayment of contributions may be corrected in one of two ways.
 - If the error is corrected within a pay period that is in the same fiscal year that the error occurred, then it may be corrected through a payroll adjustment. **The affected employee must consent in writing to the adjustment to their paycheck.**
 - If the error occurred in a prior fiscal year, or if it is the current year but the employee doesn't consent to an adjustment, then the error is corrected by the process known as CNW (Contributions Not Withheld). The ASRS will send CNW invoices through Secure Messages to the employer first, and then to the employee once the employer has paid their invoice. Each will be invoiced for their side of the contributions that are missing. The interest for both sides is added to the invoice of the employer.

CONTRIBUTION REPORTING ERROR:

UNDERPAYMENT Employer Responsibility

- An **Employer Administrator** must assign the **CNW and Military Call Up Specialist** role to the appropriate employer users from the Maintain Employer Users page.
- A **CNW and Military Call Up Specialist** must complete and submit CNW requests from the Contributions Not Withheld page on the secure employer website. CNW requests can be initiated by the employee or employer.
- Remit payment as required in the CNW invoice from the ASRS.
- Prior to August 29, 2018, CNW requests were initiated by a paper form.
- Discard any blank or unsubmitted copies of the Verification of Contributions Not Withheld form. These forms are no longer accepted by the ASRS.

CONTRIBUTION REPORTING ERROR: OVERPAYMENT

- When an overpayment of contributions occurs, A.R.S. § 38-738 also describes how this type of error is corrected. In very limited situations, the law allows employers to request that the ASRS send a check for the amount of the overpayment. But in most situations, instead of a check, the overpayment is corrected when the employer takes a credit against the overpayment on a future payroll.

Employer Responsibility

- Use the adjustment process within the online contribution reporting system to document the correction and take a credit for the overpayment.
- Pay the employee portion of the overpaid contributions out to that employee.
- Review chapter 6 of the Employer Manual, as well as the user guides for the contribution reporting applications, for more detail and instructions. These can be downloaded from the Employer Reference Materials page of the ASRS website.

SERVICE PURCHASE PAYROLL DEDUCTION AUTHORIZATION (PDA AGREEMENT)

- ASRS members may be eligible to purchase ASRS service credit for time worked for other public employers, or to reinstate previously forfeited ASRS service credit. There are multiple payment options for members who are purchasing service credit in the ASRS. One of these payment options is an irrevocable PDA through their ASRS employer.
- When a member elects to use a PDA, the employer users with the ***PDA and Term Pay Specialist*** role at their employer will receive a Secure Message notifying the employer to begin implementing a PDA. The notification will include the deduction amount, the total number of deductions and when to start deducting and remitting the payments. There will not be a separate notification to alert the employer that the PDA has been fully paid.
- PDA payments are reported with regular contributions and are noted on the Contribution Summary Report (CSR).
- The member is responsible to check their paycheck and ensure deductions have begun. The IRS does not allow make-up of payments; if PDA payments do not begin on time, the term of the PDA must stay the same length and have a later start and end date.

Employer Responsibility

- An ***Employer Administrator*** must assign the ***PDA and Term Pay Specialist*** role from the Maintain Employer Users page. Users with this role will receive a Secure Message when an employee has elected to use a PDA.
- Implement the PDA according to the document the ASRS sends.
- Report each deduction along with each regular payroll and contribution submission.
- If you are paying a Balance of Contract (BOC), such as when an employee is working under a 9- or 10-month contract, make the same number of PDA payments on a BOC as the number of regular pay periods represented by the BOC payment.
- Review chapter 7 of the Employer Manual for more information about the employer responsibilities involved in member service purchase programs.

PDA AND TERMINATION PAY

- At the time of signing a PDA, the member may elect to use pre-tax termination pay toward the balance of their PDA at termination. Like the PDA itself, this addendum to use termination pay is an irrevocable election.
- A member may also make an irrevocable election to use termination pay toward the purchase of service credit within a narrow window several months before retirement. This is separate from a PDA.

Employer Responsibility

- An **Employer Administrator** must assign the **PDA and Term Pay Specialist** role from the Maintain Employer Users page.
- The employer is legally obligated to send termination pay directly to ASRS if a member has an active PDA and made the election to use termination pay, or if a member has elected to use termination pay toward the purchase of service credit. The employee cannot later redirect termination pay to another plan or to themselves.
- If a PDA is still active at the time a member applies for retirement or refund, the employer will verify the final PDA payment information on the Ending Payroll Verification.
- Review chapter 7 of the Employer Manual for more information.

SERVICE VERIFICATION: LEAVE OF ABSENCE

- Members who have an unpaid leave of absence may be eligible to purchase service credit for some or all of the months of unpaid leave. If a member applies to purchase this service credit, the employer must provide verification of the leave of absence.

Employer Responsibility

- An **Employer Administrator** must assign the **Leave of Absence Specialist** role to at least one employer user from the Maintain Employer Users page.
- The **Leave of Absence Specialist** will receive a Secure Message notifying them of a request, and must review and respond to the request.
- Review chapter 7 of the Employer Manual for more information.

RETIREMENT

- ASRS members who are eligible for retirement may apply for their retirement benefit. The process of calculating their benefit typically takes 45-90 days. During this new retiree processing period, the ASRS is verifying information, calculating their benefit, and validating the information.
- The new retiree may receive estimate checks to bridge the gap between their last paycheck and their first pension check. Their online myASRS account will not convert to a retiree account until their pension has been finalized. This also means that if they return to work for an ASRS employer before their pension has been finalized, they will not be able to submit a Return to Work smart form, and the employer will not be able to begin remitting alternate contributions yet. We will discuss those applications in the coming pages.

Employer Responsibility

- Once a member's requested retirement date arrives, an Ending Payroll Verification (EPV) will be generated for each employer through which the member contributed within the three years before their retirement. Make sure there is at least one **EPV Specialist**, which is a role that an **Employer Administrator** can assign to an employer user on the Maintain Employer Users page from the left navigation menu.
- An **EPV Specialist** must complete and submit the EPV as soon as possible so that the ASRS can begin processing the retirement benefit.
- Make sure to know the differences between termination date, last day of ASRS membership, and retirement date.
 - Termination date is the last day the employee worked or received paid leave. It is a neutral term, it does not indicate the employee left on negative terms.
 - Last day of ASRS membership field should never be used on the EPV unless the employee is not terminating their employment. It indicates the last day the employee worked in a 20/20 capacity before reducing their work hours to begin retirement, which is only permitted in a specific condition under A.R.S. § 38-764 (I). (We will discuss this in the section about Return To Work Retirees.)
 - If the employee is terminating employment, starting retirement, and then potentially rehired as a retiree, they do have a termination date and that should be entered on the EPV instead of a Last Day of ASRS Membership.
 - Retirement date must be at least one day after the member's termination date. The retirement date is chosen by the member and it does not appear on the EPV. Members cannot chose a retirement date that is earlier than the date the ASRS receives their application for retirement.

RETIREMENT

Employer Responsibility

- Be aware that the termination date that an employer enters on an EPV can cause a member's retirement date to change. For example:
 - A member applies for retirement with a retirement date of Friday, June 1.
 - They worked until, and including, Thursday, May 31. The last day they worked is their termination date.
 - When completing the EPV, the employer entered a termination date of June 1, which is the end of their pay period.
 - The member's retirement date will be changed to June 2, because termination date and retirement date cannot be on the same day, and retirement can only occur as early as the day *after* the termination date.
 - Because the employer completed the EPV inaccurately, the member's retirement date has been changed, which could cause the member to experience unintended consequences.
 - ASRS health insurance and premium benefits are based on the first day of the month, so they may lose a month of coverage and premium benefits if they tried to enroll in health coverage for June.
 - Because of internal processing dates, their pension processing may take an additional month even though their retirement date is only one day later.
- Review chapter 8 of the Employer Manual or the *Online Ending Payroll Verification* user guide for more information and instruction. These are both available for download on the Employer Reference Materials page of the ASRS public website.

REFUNDS

- If a member terminates all ASRS employment, they may apply for a refund of their account. This is a complete withdrawal of contributions, termination of membership, and forfeiture of future benefits. The terms Refund, Forfeiture, and Withdrawal are all used interchangeably to mean the same thing.
- To be eligible for a refund, the member must terminate employment from all ASRS employers, including any with which they do not meet 20/20 and are not contributing.

Employer Responsibility

- An **Employer Administrator** must assign the **EPV Specialist** role from the Maintain Employer Users page.
- Complete and submit the Ending Payroll Verification Form (EPV), which will be generated for each employer through which the member has contributed within the six months prior to the refund application.
- The employer must certify that the employee has terminated their employment. Without this certification, the employee is not eligible to receive a refund. (If they have not terminated employment, or if there is an agreement that the employee will be rehired, you must check the N/A box instead of entering a false termination date.)
- Do not submit the EPV before you have the final pay information.
- Review chapter 8 of the Employer Manual or the *Online Ending Payroll Verification* user guide for more information and instruction. These are both available for download on the Employer Reference Materials page of the ASRS public website.

RETURN-TO-WORK (RTW) RETIREES

There are two statutes primarily referred to as the Return to Work Laws. Neither of these affect a retiree who returns to work below the 20/20 criteria, or who returns to work for an employer that is not an ASRS employer.

A.R.S. § 38-766

- A retired member who meets active membership criteria (20/20) resumes active membership in ASRS. ASRS shall suspend payment of the member's retirement benefits until the member either:
 - Terminates employment, or
 - Reaches normal retirement and no longer meets the requirements for active membership.

A.R.S. § 38-766.01

- A retired member may return to work (meeting 20/20 criteria) and still be eligible to receive retirement benefits if all of the following requirements are satisfied:
 - Reached normal retirement age (at the time of the return to work)
 - Terminated employment at least 365 days ago
 - Retired member completes and submits a RTW smart form to the employer within 30 days after starting employment
- The election to work without suspending retirement is irrevocable for the duration of employment and retiree will not earn new service credit or have the option to purchase this service.

There are two other statutes relating to RTW retirees that are important to know:

A.R.S. § 38-764 (I)

- A member may begin ASRS retirement without terminating employment with their ASRS employer, as long as all of the following requirements are satisfied:
 - They have reached normal retirement criteria, and
 - They permanently reduce work hours to fewer than 20 per week.
- If the employee resumes working 20+ hours per week, retirement must be suspended and active contributions must resume. The election to work 20/20 without suspending retirement is not available to someone who did not terminate employment prior to retirement (because one of the requirements in A.R.S. § 38-766.01 is a 365-day waiting period commencing with employment termination).

A.R.S. § 38-766.02

- This statute requires employers to pay an alternate contribution rate for retirees who return to work. We will cover this following the Working After Retirement smart form.

RETURN-TO-WORK (RTW) RETIREES

Employer Responsibility

- When hiring new employees, be aware of whether or not they are ASRS retirees. If in doubt, you can use Check Member Eligibility tool to confirm this (see page 16).
- If the employee is an ASRS retiree and they are a direct employee, they must submit the RTW smart form within 30 days after employment starts. Then you have 14 days to either approve or reject the form.
- Review chapter 4 of the Employer Manual for more information and instruction.

RTW RETIREES: WORKING AFTER RETIREMENT/RTW SMART FORM

- The smart form is also available to non-retired members as an estimator tool. This allows those who are nearing retirement, and considering future plans to return to work for an ASRS employer, to see how their plans would affect their pension.
- To begin using the application, members log in to their personal myASRS account.
 - Non-Retired Members: click on the Working After Retirement link under the Your Account heading in the left navigation menu.
 - Retirees: click on the Working After Retirement link under Apply Now.
- The retiree must acknowledge that they have read the Return to Work information each time the Working after Retirement page is accessed in order to continue.
- **Employer Process (Employer user must have the *RTW Specialist* role)**
 - Log in to your employer account and click on Review Return To Work Forms under the Other Operations heading on the left navigation menu.
 - The default landing page shows the pending forms. You can also review information about previously rejected forms or toggle between the two lists using the buttons at the top of the page. Click on the Submitted Date to open a form.
 - Review the Intent of Employment and verify the start date, hours per week, and length of employment.

RTW RETIREES: RTW SMART FORM

- **Employer Process**
 - If the intent of employment is accurate, select “I approve this RTW Form” and note the Action Required (highlighted). You’ll be able to export the form information in a PDF after you click the Continue button. Then, after you click Submit, the form will be sent to the ASRS for review.
 - If the intent of employment is not accurate, select “I reject this RTW Form” and indicate the reason(s) in the “Notes and comments to the Employee” box. It will be sent back to the retiree for corrections as soon as you click the Continue button.

Employer Responsibility

- An **Employer Administrator** must assign the **RTW Specialist** role from the Maintain Employer Users page. Approve or reject incoming RTW forms within 14 days.
- Do not approve a RTW form submitted by a leased employee or independent contractor. RTW laws § 38-766 and 38-766.01, and therefore the RTW form, do not apply to them.
- If you are approving the form, take note of the Action Required and implement it. The Action Required will direct you to either begin paying alternate contributions, or active contributions, depending on the member’s election.
- Review the *Retiree Return To Work Smart Form* employer user guide for more information and instruction. This is available for download on the Employer Reference Materials page of the ASRS public website.

RTW RETIREES: ALTERNATE CONTRIBUTION RATE (ACR)

- The last statute relating to RTW retirees is A.R.S. § 38-766.02, which is the statute governing the alternate contribution rate (ACR). It states that ASRS employers shall pay ACR for all ASRS retired employees.
- ACR is not dependent on or connected to whether a retiree meets 20/20 criteria, which means ACR also applies to ASRS retirees who return to work as leased employees and independent contractors. Because it is the **alternate** contribution rate, it is in effect when the regular contribution rate is not, such as when a direct employee of an ASRS employer works less than the 20/20.
- ACR is applied as a percentage of either:
 - Compensation (if a direct employee, using the same definition of compensation used for active contributions)
 - Gross salary (if a leased employee of a third party)
 - Contract fee (if an independent contractor)

RTW RETIREES: ALTERNATE CONTRIBUTION RATE (ACR)

- ACR contributions must be paid via ACH method, using the online Alternate Contribution Reporting application.
 - When reporting ACR, start by selecting the Pay Period Ending (PPE) date.
 - When reporting ACR for direct employees, the PPE date should coincide with your regular pay periods
 - When reporting ACR for leased employees, or for an independent contractor, you can define the pay period to coincide with the timing of the invoice from the leasing company or independent contractor. This means you may have pay periods that are a month long, or some other time period. It also means you do not need to report ACR for direct employees, leased employees, and contractors on the same file.
 - You can have multiple ACR reports for the same PPE date.
- The legislative purpose of the ACR is to mitigate the negative actuarial impact on ASRS made by retirees returning to work for ASRS employers.

Employer Responsibility

- An Employer Administrator must assign the Maintain ACR role from the contribution reporting roles on the Maintain Employer Users page.
- Pay ACR on leased employees and independent contractors if they are retired from the ASRS. (Use Check Member Eligibility to confirm retired status.)
- Pay ACR on direct employees if their RTW smart form indicates they are eligible to remain retired in this employment and have elected to do so.
- Employers must pay the ACR from their own funds. Rule specifies that employers shall not pass the cost of the alternate contribution onto the retiree.

A recent change in statute created an exemption for ACR. An employer is not required to pay ACR for a retiree who works in a position which is currently filled by an active, contributing member. The exemption is on an individual basis; in other words, the active member who is out on paid leave (for which contributions are remitted) is working in a position that must have someone fill in while they are out on leave.

- Review chapter 6 of the Employer Manual and the *Alternate Contribution Reporting Guide* for more information and instruction. These are available for download on the Employer Reference Materials page of the ASRS public website.

NEW MEMBER INFORMATION

- Provide a printed or digital copy of our New Member Guide to your new employees. This helps them get properly enrolled into their myASRS accounts, gives them a foundational understanding of who the ASRS is, and explains the primary benefits of their membership.
- This guide replaces our previous set of handouts for new employees - if you have printed or saved copies of the previous handouts, please discard and replace them with our New Member Guide.
- Printable PDF can be downloaded from the New Employee Information page of the ASRS website, in the Employers section.
 - Look for New Member Guide.
- To order hardcopies customized with your employer name and enrollment code, send a Secure Message or email with the following information:
 - Employer name
 - Shipping address (no PO Boxes, please)
 - Contact name & email address
 - Quantity of guides needed



Version 5.8.2024

Welcome

Welcome to the Arizona State Retirement System! We are a top performing pension system amongst our peers with the goal of providing members a lifetime monthly benefit in retirement. Please explore the following pages to learn more about who we are, what it means to be a member of the ASRS, and answers to some commonly asked questions.

Additionally, it's important to take a moment and complete your registration with the ASRS, if you haven't already. This keeps your account secure, and allows online access to your account where you can estimate retirement benefits, keep your contact information up-to-date, and register for educational webinars.

Note: if you are already an ASRS member but are now working for a new ASRS employer, you still need to complete the registration process again, using your new employer's enrollment code.

Registering is quick and easy:

Step 1: Scan the QR code or visit [Secure.AzASRS.gov](https://secure.azasrs.gov), and click on the "First Time Registering?" link near the bottom of the page.

Step 2: Follow the registration process using the information below, provided by your employer.

Employer Name:

Enrollment Code:



Visit the Arizona State Retirement System online at [AzASRS.gov](https://azasrs.gov) Page 1 of 8

CONTACTING THE ASRS

- **Employer Relations Team**

- Use Secure Messages from within your secure employer account to contact the ASRS with account-specific questions or to submit ASRS forms such as health insurance premium benefit forms, LTD claims, or name changes for employees.
- If unable to use Secure Messages, email general inquiries to Employer Relations at EmployerRelations@AzASRS.gov. As this is an unsecure channel, we ask that you do Relations not include or attach any files with any personal identifying information.
- If you email an Employer Team member directly, please EmployerRelations@azasrs.gov just in case that team member is out of the office.
- For more immediate assistance, use the Live Chat feature through your secure employer account to chat with a member of the team.
- Live Chat is staffed Monday - Wednesday 6AM-5PM, Thursday & Friday 6AM-4PM

ARIZONA STATE RETIREMENT SYSTEM | Your investment. Your future. Secure for your lifetime. EMPLOYER SECURE ACCOUNT

Return to ASRS public website

Your Account < Home Page

Communication & Education < Secure Messages

Employer Home Live Chat

Welcome to Your ASRS Employer Homepage

Your employer homepage has been created for you to process information for your employees.

- **Member Advisory Center**

- If your question is on behalf of a member, please direct your employee to contact the Member Advisory Center for direct, account-specific assistance.
- The business hours at the numbers below are: Monday through Wednesday 6AM-5PM Thursday and Friday 6AM-4PM
 - 602-240-2000 from within metropolitan Phoenix
 - 520-239-3100 from within metropolitan Tucson
 - 800-621-3778 from outside the Tucson and Phoenix areas

NOTES

Disclaimer: Legislation, rules and policies governing the ASRS are subject to change. If information contained in this handbook differs from laws, rules and ASRS policy, the ASRS is not bound by this handbook but will comply with statutes, rules and policies. Please refer to our website, [AzASRS.gov](https://www.azasrs.gov) for the most current legislation and for more details on your benefits as a member of ASRS.