

HOW...

ASRS Employees Deliver Service With PRIDE!

PROFESSIONALISM

We promote, strive for and expect individuals, teams, and divisions to possess professional qualities and skills to lead the organization.

- Displays a friendly, respectful and courteous demeanor even when confronted by adversity
- Has proactive and responsive approach to internal and external customer needs
- Possesses good communication and active listening skills
- Is a trusted contributor (manager, leader, SME, analyst, teammate)
- Takes personal accountability • Has subject matter expertise
- Has critical thinking skills • Has an honest, fair, non-judgmental mind-set
- Is adaptable to beneficial change • Adheres to the ASRS Code of Conduct

RESULTS

We treasure the achievements of individuals, teams, divisions and the agency that energize the organization.

- Meets goals and objectives
- Completes projects
- Produces quality work products
- Satisfies customers
- Attains individual accomplishments
- Manages risks successfully

IMPROVEMENT

We appreciate individuals, teams or divisions who drive the agency forward with new, innovative ideas and solutions.

- Promotes new ideas
- Enhances outcomes and performance
- Solves problems
- Enhances morale
- Improves relationships
- Increases efficiency, effectiveness or reduces costs

DIVERSITY

We recognize that utilizing different talents, strengths and points of view, strengthens the agency and helps propel outcomes greater than the sum of individual contributors.

- Encourages an attitude of openness and a free flow of ideas and opinions
- Treats others with dignity and respect
- Works effectively to accomplish goals with teams comprised of dissimilar individuals
- Recognizes and promotes skills in others attained on and off the job

EXCELLENCE

We celebrate individuals, teams and divisions who exceed expectations and deliver service with a PRIDE that permeates the organization.

- Surpasses member, stakeholder and associate expectations
- Demonstrates a willingness to go the extra mile to engender a positive public image
- Embraces change in a manner that inspires others
- Accepts responsibility and challenges with enthusiasm
- Takes a personal interest in promoting teamwork through effective use of communication (verbal, non-verbal, written and technological techniques)
- Creates a motivated, healthy and productive work environment that celebrates and rewards the accomplishments of others



**ARIZONA STATE
RETIREMENT SYSTEM**



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

AGENDA

NOTICE OF PUBLIC MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM EXTERNAL AFFAIRS COMMITTEE

3300 North Central Avenue, 14th Floor Conference Room
Phoenix, AZ 85012

May 13, 2016
10:30 a.m. Arizona Time

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Trustees of the Arizona State Retirement System (ASRS) External Affairs Committee (EAC) and to the general public that the ASRS External Affairs Committee will meet on May 13, 2016 beginning at 10:30 a.m. in the 14th Floor Conference Room of the ASRS office, 3300 North Central Avenue, Phoenix, AZ, 85012. Trustees of the Board Committee may attend either in person or by telephone conference call.

This is a scheduled meeting of the EAC; however, due to possible attendance by other ASRS Board Trustees, this meeting may technically become a meeting of the ASRS Board or one of its committees. Actions taken will be consistent with EAC governance procedures, and no business of the Board will be transacted. Actions requiring Board authority will be presented to the full Board for final decision.

The Chair may take public comment during any agenda item. If a member of the public wishes to speak to a particular agenda item, he or she should complete a Request to Speak form indicating the item and provide it to the Committee administrator.

Pursuant to A.R.S. § 38-431.03(A)(3), the ASRS Board of Trustees may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item on the Agenda.

This meeting will be teleconferenced to the ASRS Tucson office at 4400 East Broadway Boulevard, Suite 200, Tucson, Arizona 85711. The conference call to Tucson will be disconnected after 15 minutes if there are no attendees in the Tucson audience.

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call; Opening Remarks.....Dr. Richard Jacob
Chair, External Affairs Committee
2. Approval of the Minutes of the April 8, 2016 Public Meeting of the EAC.....Dr. Richard Jacob
3. Presentation, Discussion, and Appropriate Action Regarding Rulemaking Update
.....Ms. Jessica Ross
Rules Writer

Agenda Item #2



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Paul Matson
Director

SUMMARY OF A PUBLIC MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM EXTERNAL AFFAIRS COMMITTEE

**HELD ON
April 8, 2016
10:30 a.m., Arizona Time**

The External Affairs Committee (EAC) of the Arizona State Retirement System (ASRS) met in the 14th Floor Conference Room of the ASRS Office, 3300 North Central Avenue, Phoenix, AZ, 85012. Dr. Richard Jacob, Chair, called the meeting to order at 10:30 a.m., Arizona Time.

This meeting was teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona, 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Dr. Richard Jacob, Chair
Mr. Lorenzo Romero – Via Teleconference
Mr. Tom Manos – Via Teleconference

Absent: Mr. Kevin McCarthy

A quorum was present for the purpose of conducting business.

2. Approval of the Public Meeting Minutes of the March 08, 2015 EAC Meeting

Motion: Mr. Tom Manos moved to approve the minutes of the March 8, 2016 Public EAC meeting. Mr. Lorenzo Romero seconded the motion.

By a vote of 3 in favor, 0 opposed, 0 abstained, 1 excused the minutes were approved.

3. Presentation, Discussion and Appropriate Action Regarding Rulemaking and the 2015 and 2016 Regulatory Agendas

Ms. Jessica Ross provided an update on the rulemaking activities listed on the 2015 and 2016 Regulatory Agendas. The ASRS is in the process of updating its service purchase rules in Article 5. Staff is working with Management to draft a Notice of Proposed Rulemaking. This rulemaking is taking longer than originally anticipated because the ASRS is engaged in modernizing its service purchase processes and it contains changes to approximately 16 rules, including the repeal of three of those rules, pending legislative action.

4. Presentation, Discussion and Appropriate Action Regarding 2016 Legislative Initiatives and Legislation affecting the ASRS

Mr. Nick Ponder presented the ASRS 2016 legislative initiatives and other legislation that may impact the ASRS.

Mr. Ponder stated there hasn't been a significant amount of progress with regards to the bills moving through the chambers since the last Board Meeting, which took place on March 25, 2016. Both, the House and the Senate, are currently working on their budget processes and will not submit any bills to the Governor's Office until they're done with their budget processes.

Only two Bills have moved as of the last Board meeting:

HB2159: ASRS; RULEMAKING EXEMPTION - The ASRS and the ASRS Board are not subject to the Administrative Procedures Act, except for the uniform administrative hearing procedures, for actuarial assumptions and calculations, investment strategy and decisions, and accounting methodology. This Bill is retroactive to January 1, 1987 and contains a purpose statement. This bill passed the Senate with no concerns and is expected to pass through the House with no concerns.

HB2160: ASRS; ELIGIBLE ROLLOVERS: The list of contributions for the payment of credited service purchases that the ASRS Board is permitted to accept is modified to include "direct transfers from" an individual retirement account or individual retirement annuity of an amount that would otherwise be eligible to be rolled over to the ASRS, instead of a "rollover contribution of that portion of a distribution" from those types of accounts. This Bill has passed the Senate and is expected to move through the House.

5. Call to the Public

No requests to speak from the members of the public.

6. Adjournment of the ASRS External Affairs Committee Meeting.

Motion: Mr. Tom Manos moved to adjourn the April 8, 2016 EAC meeting. Mr. Lorenzo Romero seconded the motion

By a vote of 3 in favor, 0 opposed, 0 abstained, 1 excused the meeting was adjourned.

Dr. Jacob adjourned the public meeting at 10:46 a.m.

Respectfully Submitted by,

Alicia Guzman
Committee Administrator

Date

Pat Klein
Assistant Director, External Affairs Division

Date

Agenda Item #3



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Paul Matson
Director

TO: The Arizona State Retirement System (ASRS) External Affairs Committee

FROM: Mr. Patrick M. Klein, Assistant Director, External Affairs Division
Ms. Jessica Ross, Rules Writer

DATE: May 6, 2016

RE: **AGENDA ITEM NO. 3:** Presentation, Discussion and Appropriate Action Regarding Rulemaking Update

Purpose:

To provide an update on the current rulemaking initiatives the ASRS intends to conduct during the 2016 calendar year.

Recommendation:

No action is recommended at this time.

Background:

Arizona Revised Statutes § 41-1021.02 State agencies; annual regulatory agenda requires each agency to post its agenda for the coming calendar year. The attached 2015 Regulatory Agenda was approved by the committee on December 12, 2014 and lists all the rulemakings the ASRS anticipated promulgating during the 2015 calendar year. The attached 2016 Regulatory Agenda was approved by the committee on November 13, 2015 and lists the rulemakings the ASRS anticipates completing during the 2016 calendar year.

Ms. Jessica Ross, ASRS Rules Writer, will provide a brief update of the status for any rulemaking on the 2015 Regulatory Agenda that has not been completed, as well as a brief update of the status of each rulemaking listed on the 2016 Regulatory Agenda.

Attachments

**ARIZONA STATE RETIREMENT SYSTEM (ASRS)
REGULATORY AGENDA FOR 2015**

Pursuant to A.R.S. § 41-1021.02, the ASRS prepared a regulatory agenda for the 2015 calendar year. Pursuant to A.R.S. § 41-1021.02(D), the ASRS may undertake a rulemaking even if the rulemaking is not included in the annual regulatory agenda.

Rulemakings Expected During 2015

Identification of Rulemaking	Notice of Docket Opening (Expected)	Notice of Proposed Rulemaking (Expected)	Notice of Final Rulemaking (Expected)
<u>2 A.A.C. 8, Art. 1</u> R2-8-104. Definitions	1/6/2015	1/9/2015	5/5/2015
<u>2 A.A.C. 8, Art. 1</u> R2-8-115. Return of Contributions Upon Termination of Membership by Separation from All ASRS Employment by Other Than Retirement or Death; Payment of Survivor Benefits Upon the Death of a Member	3/3/2015	3/6/2015	7/7/2015
<u>2 A.A.C. 8, Art. 1</u> R2-8-116. Reemployment After Retirement	4/1/2015	4/3/2015	9/1/2015
<u>2 A.A.C. 8, Art. 1,</u> <u>Retirement System;</u> <u>Defined Benefit Plan</u>	5/27/2015	5/29/2015	9/1/2015
<u>2 A.A.C. 8, Art. 2, State Retirement Defined Contribution Program</u>	2/4/2015	2/6/2015	6/2/2015
<u>2 A.A.C. 8, Art. 4,</u> <u>Practice and Procedure Before the Board</u>	7/9/2015	7/10/2015	11/3/2015
<u>2 A.A.C. 8, Art. 5,</u> <u>Purchasing Service Credit</u>	8/5/2015	8/7/2015	12/1/2015

Existing Rules Scheduled for Review During 2015

Rules Being Reviewed	Due Date
2 A.A.C. 8, Articles 1, 2, 4, and 5	May 2015

**ARIZONA STATE RETIREMENT SYSTEM (ASRS)
REGULATORY AGENDA FOR 2016**

Pursuant to A.R.S. § 41-1021.02, the ASRS prepared a regulatory agenda for the 2016 calendar year. Pursuant to A.R.S. § 41-1021.02(D), the ASRS may undertake a rulemaking even if the rulemaking is not included in the annual regulatory agenda.

Rulemakings Expected During 2016

Identification of Rulemaking	Notice of Docket Opening (Expected)	Notice of Proposed Rulemaking (Expected)	Notice of Final Rulemaking (Expected)
<u>2 A.A.C. 8, Art. 1</u> R2-8-116. Working After Retirement <ul style="list-style-type: none"> • RTW guide in rule? 	2/5/2016	2/12/2016	5/3/2016
<u>2 A.A.C. 8, Art. 7</u> Contributions Not Withheld	3/11/2016	3/18/2016	6/7/2016
<u>2 A.A.C. 8, Art. 2 (expired)</u> <u>Health Insurance</u> <ul style="list-style-type: none"> • Long-Term Disability • Premium Benefit Eligibility 	4/15/2016	4/22/2016	7/6/2016
<u>2 A.A.C. 8, Art. 6</u> Public Participation in Rulemaking	5/13/2016	5/20/2016	8/2/2016
<u>2 A.A.C. 8, Art. 8</u> Overpayments	6/10/2016	6/17/2016	9/7/2016
<u>2 A.A.C. 8, Art. 3 (reserved)</u> <u>Membership</u> <ul style="list-style-type: none"> • Contributions • Accrual of credited service (higher education credited service) • Apportionment • Delinquency • Compensation • 20/20 criteria and status changes— “intent” / “engaged” 	10/7/2016	10/21/2016	1/4/2017

Existing Rules Scheduled for Review During 2016

Rules Being Reviewed	Due Date
2 A.A.C. 8, Article 6	March 2016
2 A.A.C. 8, Article 7	December 2016

Agenda Item #4



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*Paul Matson
Director*

TO: The Arizona State Retirement System (ASRS) External Affairs Committee (EAC)

FROM: Mr. Paul Matson, Director
Mr. Patrick M. Klein, Assistant Director, External Affairs Division
Mr. Nick Ponder, Government Relations Officer

DATE: May 9, 2016

RE: **AGENDA ITEM NO. 4:** Presentation, Discussion and Appropriate Action Regarding 2016 Legislative Initiatives and Legislation affecting the ASRS

Purpose:

To discuss the ASRS 2016 legislative initiatives and other legislation that may impact the ASRS.

Recommendation:

Information only; no action required.

Background:

The 2016 ASRS Legislative Initiatives will be discussed as will other legislation that may impact the ASRS. A copy of the most recent Bill Tracker will be provided at the meeting or may be accessed through this link: <https://www.azasrs.gov/content/legislation>