

Arizona Administrative Register
NOTICES OF PROPOSED RULEMAKING

Volume 32, Issue 17, April 24, 2026

NOTICES OF PROPOSED RULEMAKING

The Administrative Procedure Act (APA) requires an agency file a Notice of Rulemaking Docket Opening which outlines its rulemaking intentions under [A.R.S. § 41-1021](#). A docket opening and Notice of Proposed Rulemaking are often filed at the same time and published in the same *Register* issue. If they are not filed at the same time, information on where the docket opening was published is listed in the preamble of the proposed rulemaking.

An agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before scheduling any oral proceedings. Written public comments shall be accepted for at least 30 days after the published notice. Refer to A.R.S. §§ [41-1013](#), [41-1022](#) and [41-1023](#).

Questions about the notice can be answered by the person listed in item #5 of the preamble.

Refer to item #11 of the preamble for information on how to comment on this notice, the close of record to comment, and information related to oral proceedings.

NOTICE OF PROPOSED RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

File Number: R26-51

PREAMBLE

1. **Permission to proceed with this proposed rulemaking was granted under A.R.S. § 41-1039 by the governor on:**
February 19, 2026

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

R2-8-301	Amend
R2-8-304	Amend
R2-8-804	Amend
R2-8-807	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. §§ 38-701 et seq.

4. **Citations to all related notices published in the *Register* that pertain to the current record of the proposed rule:**
Notice of Rulemaking Docket Opening: 32 A.A.R. 938, April 24, 2026 (*in this issue*); File Number: R26-54
Notice of Proposed Expedited Rulemaking: 31 A.A.R. 2772, Issue Date: August 29, 2025, Issue Number: 35, File Number: R25-198
Notice of Termination of Proposed Expedited Rulemaking: 31 A.A.R. 4341, Issue Date: November 14, 2025, Issue Number: 46, File Number: R25-256

5. **The agency's contact person who can answer questions about the rulemaking:**
Name: Jessica Thomas
Title: Government Relations Officer
Address: 3300 N. Central Ave., Suite 1400
 Phoenix, AZ 85012

Telephone: (602) 240-2039
Email: JessicaT@azasrs.gov
Website: www.azasrs.gov

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6. 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 to remove unnecessary definitions, clarify when a member may receive LTD benefits, clarify when a member may receive service credit while receiving LTD benefits, and how the ASRS or the ASRS contracted LTD claims administrator may collect an overpayment a forfeiture or LTD benefit. Such clarification will ensure the rules are clear, concise, and consistent and the public is aware of how the ASRS processes LTD benefits and overpayments.

7. 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

8. 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

9. The preliminary 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 administrates 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 process LTD benefits and overpayments.

10. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

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

11. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The ASRS will accept comments during business hours as provided below through the end of the oral proceeding June 3, 2026. Comments will also be accepted via email at the email address provided under item #5. Mailed written comments shall be postmarked within 30 days of this published notice.

An oral proceeding regarding the proposed rules will be held as follows:

Date: June 3, 2026
Time: 10:00 a.m.
Location: Virtual Meeting through Google Meet: <https://meet.google.com/zwi-kgdb-uqu?hs=122&authuser=0>
Join by phone: 302-404-6620; PIN: 855 820 331#

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12. 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:**
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.

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

None

14. The full text of the rules follows:

TITLE 2. ADMINISTRATION

CHAPTER 8. STATE RETIREMENT SYSTEM BOARD

ARTICLE 3. LONG-TERM DISABILITY

Section

- R2-8-301. Definitions
R2-8-304. Payment of Long-Term Disability Benefit

ARTICLE 8. RECOVERY OF OVERPAYMENTS

Section

- R2-8-804. Collection of Overpayments from Forfeiture
R2-8-807. Collection of Overpayments from LTD Benefit

ARTICLE 3. LONG-TERM DISABILITY

R2-8-301. Definitions

The following definitions apply to this Article unless otherwise specified:

1. "Attending Physician" means a provider:
 - a. Who is a qualified medical provider or other legally qualified practitioner of a healing art that the claims administrator recognizes or is required by law to recognize;
 - b. Whose medical training and clinical experience are qualified to treat the member's disabling condition;
 - c. Whose diagnosis and treatment is consistent with the diagnosis of the disabling condition, according to guidelines established by medical, research, and rehabilitative organizations;
 - d. Who is licensed to practice in the jurisdiction where care is being given;
 - e. Who is practicing within the scope of the license; and
 - f. Who is not related to the member by blood or marriage.
2. "Direct Care" means the member is actively receiving treatment from a provider for the member's disability at least once per calendar year.
3. ~~"Estimated Social Security disability income amount" means the same as in R2-8-801(1).~~
- 4.3. "Legal proceeding" means an appeal of an appealable agency decision at the Office of Administrative Hearings pursuant to A.R.S. § 41-1092 et seq. or an appeal of a Social Security determination at the Social Security Administration, or any other review by a formal body, which determines the rights and responsibilities of the member or survivor.
- 5.4. "LTD" means the Long-Term Disability program described in A.R.S. § 38-797 et seq.
- 6.5. "LTD benefit" means the amount of funds the member receives from the ASRS or the ASRS contracted LTD claims administrator, for the period of time a member has an eligible disability as described in A.R.S. § 38-797.07(A)(11).

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7.6. "LTD contribution" means the amount of funds the member remits to the ASRS from the member's compensation as payment for the LTD program.

R2-8-304. Payment of Long-Term Disability Benefit

- ~~A.~~ An eligible disabled member is eligible to receive an LTD benefit on the member's benefits effective date, which is the first day of the month following the month in which the member has been disabled for a period of six months, based on the date the member became disabled.
- ~~A-B.~~ The ASRS contracted LTD claims administrator shall begin providing an LTD benefit to an eligible disabled member no sooner than the member's benefits effective date six months after the date the disabled member became disabled.
- ~~B-C.~~ Notwithstanding subsection (A), the ASRS contracted LTD claims administrator may begin providing an LTD benefit to an eligible disabled member sooner than six months if the disability is related to the member's disability that occurred within six months immediately preceding the disability.
- ~~C.~~ The ASRS contracted LTD claims administrator may provide an eligible disabled member's LTD benefit to a third party pursuant to A.R.S. § 38-797.09.
- D. Notwithstanding any other Section, a member may receive Long-Term disability benefits for no more than 12 months after the member receives a required minimum distribution of the member's retirement benefit pursuant to A.R.S. § 38-775.
- ~~E.~~ Unless a member is accruing service credit under R2-8-903, a member shall receive service credit for each month for which the ASRS provides an LTD benefit to an eligible disabled member.

ARTICLE 8. RECOVERY OF OVERPAYMENTS

R2-8-804. Collection of Overpayments from Forfeiture

- ~~A.~~ Unless a member cancels a forfeiture request by submitting written notice to the ASRS within 30 days of the request to forfeit, the ASRS shall reduce a member's refund amount in order to offset the member's overpayment amount pursuant to subsection (B).
- ~~B.~~ The ASRS shall reduce the member's refund amount by the amount of any overpayment and the ASRS shall:
 - 1. Pursue collection of any remaining overpayment amount pursuant to this Article; and
 - 2. Distribute the remaining refund amount to the member pursuant to R2-8-115.

R2-8-807. Collection of Overpayments from LTD Benefit

Upon disability of the member, the ASRS or the ASRS contracted LTD claims administrator shall reduce the amount of the disabled member's LTD benefit by the amount of any overpayment the member received from the ASRS and has not reimbursed pursuant to this Section.