

Summary of 2017 Retirement Legislation

The 53rd Legislature – First Regular Session, adjourned on May 10, 2017. The Arizona State Retirement System had five legislative initiatives pass into law. They all have relatively minor impact to members and retirees, mainly clarifying language in existing state statutes.

Below is a brief summary of these initiatives.

You can also see a summary of other retirement-related bills from the legislative session on our [ASRS Bill Tracker](#).

House Bill 2166 – Return to Work

Signed into law May 1, 2017; effective on Aug. 9, 2017

This bill removes some language in existing law to make it more clear that ASRS employers who hire back ASRS retirees are subject to paying the Alternate Contribution Rate for that return-to-work retiree.

The Alternate Contribution Rate, in law since 2012, mitigates the potential actuarial impact that retired members who return to work have on the Trust Fund.

House Bill 2167 – Contributions; Adjustments

Signed into law May 10, 2017; effective on Aug. 9, 2017

This bill clarifies the method in which the ASRS can return monies to employers who have overpaid contributions, ensuring compliance with the federal Internal Revenue Code.

House Bill 2168 – Reinstatement; Contribution Amount

Signed into law May 10, 2017; effective on Aug. 9, 2017

This bill modifies and clarifies language to existing statutes to indicate a member reinstating their service must repay the amount the “ASRS paid,” rather than the amount the “member received.” This clarifies some scenarios in which a member refunded their account at some point in time and the amount was subject to payment split due to a court order.

Senate Bill 1052 - Optional Retirement Benefits; Overpayment

Signed into law March 29, 2017; effective on Aug. 9, 2017

This bill requires the ASRS to withhold any overpayments and federally required taxes from a member’s Partial Lump Sum distribution or return of contributions before distributing funds to the member.

Senate Bill 1053 – ASRS Board Powers

Signed into law March 29, 2017; effective on Aug. 9, 2017

This bill amends existing powers of the Board of Trustees to create a Committee to hear appeals to now also hear appeals related to Long Term Disability and transfers. LTD appeals will be heard by the ASRS board Appeals Committee.