

REFERENCE TITLE: ASRS; veterans; service credits

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

## **SB 1257**

Introduced by  
Senator Bundgaard

AN ACT

PROVIDING FOR THE RECALCULATION OF THE COSTS OF REDEEMED ACTIVE MILITARY SERVICE BY CERTAIN MEMBERS OF THE ARIZONA STATE RETIREMENT SYSTEM; MAKING AN APPROPRIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Recalculation of costs of redeemed active military  
3 service; refund

4 A. If a retired member or a deceased retired member whose beneficiary  
5 is receiving benefits on account of a deceased retired member of the Arizona  
6 state retirement system received credited service for active military service  
7 from the Arizona state retirement system before July 20, 1996, the Arizona  
8 state retirement system shall recalculate the cost of that credited service  
9 as provided in this section effective retroactively to the date of receipt of  
10 the credited service.

11 B. If an active member of the Arizona state retirement system received  
12 credited service for active military service from the Arizona state  
13 retirement system before July 20, 1996, the Arizona state retirement system  
14 shall recalculate the cost of that credited service as provided in this  
15 section effective retroactively to the date of receipt of the credited  
16 service.

17 C. The Arizona state retirement system shall determine the amount a  
18 member described in subsection A or B of this section would have paid for  
19 credited service for active military service on or after July 20, 1996.

20 D. The Arizona state retirement system shall subtract the amount  
21 determined pursuant to subsection C of this section from the amount the  
22 member actually paid for credited service for active military service. If  
23 the difference is greater than zero and notwithstanding any other law, the  
24 Arizona state retirement system shall refund the difference to the active  
25 member, the retired member or the retired member's beneficiary. The Arizona  
26 state retirement system shall pay a refund pursuant to this subsection to an  
27 active member at the time it makes retirement benefit payments.

28 E. The Arizona state retirement system shall pay interest on any  
29 amounts refunded pursuant to this section. The interest shall be compounded  
30 annually at the interest rate assumption approved by the board from time to  
31 time for actuarial equivalency.

32 F. Before retirement, an active member who is entitled to a payment  
33 pursuant to subsections D and E of this section may apply the amount of the  
34 payment to a purchase of additional active military service pursuant to  
35 section 38-745, Arizona Revised Statutes, if the member is eligible to  
36 purchase that service.

37 Sec. 2. Member notification; publication

38 The Arizona state retirement system shall notify members who might be  
39 eligible for a refund pursuant to section 1 of this act by publishing a  
40 summary of the provisions of section 1 of this act in the following  
41 publications according to the following schedule:

42 1. In four successive Arizona state retirement system quarterly  
43 newsletters immediately following the effective date of this act.

44 2. In two successive annual statements for individual members  
45 immediately following the effective date of this act.

1           Sec. 3. Appropriation; purpose

2           The sum of \$50,000 is appropriated from the Arizona state retirement  
3 system administration account in fiscal year 2001-2002 to the Arizona state  
4 retirement system for the purpose of defraying the cost of making the  
5 recalculations prescribed by section 1 of this act.