

STATE OF ARIZONA  
30th LEGISLATURE  
1st REGULAR SESSION

SENATE

S. B. 88  
INTRODUCED  
January 21, 1971

| Referred to        | Date | Reported Out |
|--------------------|------|--------------|
| Rules              |      |              |
|                    |      |              |
|                    |      |              |
|                    |      |              |
| Committee of Whole |      |              |
| 3rd Reading        | Aye  | No           |
| House Action       |      | Abstent      |
|                    |      |              |
| Sent to Governor   |      | Action       |

Introduced by Senators O'Connor, Knoles, Ellsworth, Goetze, Holsclaw, Kret,  
Lena

AN ACT

RELATING TO PUBLIC OFFICERS AND EMPLOYEES; PROVIDING THAT BENEFICIARIES OF A PUBLIC SAFETY OFFICER OR AN OFFICER DISABLED OR KILLED WHILE ON DUTY SHALL NOT HAVE WORKMEN'S COMPENSATION PAYMENTS DEDUCTED FROM RETIREMENT SYSTEM BENEFITS, AND AMENDING SECTION 38-849, ARIZONA REVISED STATUTES.

- 1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 38-849, Arizona Revised Statutes,  
3 is amended to read:  
4 38-849. Limitations  
5 A. If a member is discharged because of theft, embezzlement,  
6 fraud or misappropriation of an employer's property,  
7 he shall not be entitled to receive a pension regardless of  
8 his age and service on the date of his discharge. Instead,  
9 he shall receive a lump sum payment equal to his accumulated  
10 contributions as of the date of his discharge.  
11 B. A person who knowingly makes any false statement  
12 or who falsifies or permits to be falsified any record of  
13 the system in an attempt to defraud such system is guilty  
14 of a misdemeanor. If any change or error in the records result  
15 in any member or beneficiary receiving from the system  
16 more or less than he would have been entitled to receive had  
17 the records been correct, the board shall correct such error,  
18 and as far as practicable shall adjust the payments in such  
19 manner that the actuarial equivalent of the benefit to which

**5.8.00**

1 such member or beneficiary was correctly entitled shall be  
2 paid.

3 C. Any amounts which may be paid or payable under the  
4 provisions of any state workmen's compensation to a member  
5 or his beneficiaries on account of any disability or death  
6 shall be offset against any benefits payable out of funds  
7 provided by the employers under the provisions of the system,  
8 on account of the same disability or death, but only to the  
9 extent that such other amounts are attributable to contri-  
10 butions by the employer. If the present value of the total  
11 commuted benefits under such workmen's compensation is less  
12 than the pension reserve on the benefits otherwise payable  
13 from funds provided by the employer under the system, then  
14 the present value of the commuted payments shall be deducted  
15 from the pension reserve and such benefits as may be provided  
16 by the pension reserve so reduced shall be payable under the  
17 provisions of the system. Any disability benefits payable  
18 out of funds provided by the employer under the system to  
19 a member or his beneficiaries shall be reduced by the amount  
20 paid such member or his beneficiaries under any law of the  
21 United States providing a pension or compensation for such  
22 disability, but the United States government insurance bene-  
23 fits for which the member has paid premiums shall not be  
24 considered to be a pension or compensation. The provisions  
25 of this section shall not apply in the case of social se-  
26 curity benefits. THE PROVISIONS OF THIS SUBSECTION SHALL  
27 NOT APPLY IF THE MEMBER IS DISABLED, KILLED OR DIES OF IN-  
28 JURIES SUFFERED WHILE ON DUTY.

29 D. If a member who received a severance benefit upon  
30 termination of employment, as provided in subsection A of  
31 section 38-846, is subsequently reemployed by an employer,  
32 his prior service credits shall be cancelled and service  
33 shall be credited only from the date his most recent reem-  
34 ployment period commenced. Notwithstanding the foregoing,  
35 if such former member's reemployment occurred within two  
36 years after his termination date, and, within sixty days

S.B. 88

1 after reemployment he signs a written election consenting  
2 to a timely reimbursement to the fund, he shall be required  
3 to redeposit the amount of his accumulated contributions at  
4 the time of his separation from service, with interest there-  
5 on to date of redeposit. Upon satisfaction of this obliga-  
6 tion, the member's prior service credits shall be reinstated.

7 E. If a nondisabled retired member is reemployed by  
8 an employer, no pension payments or contributions shall be  
9 made on his account, nor any service credited, during the  
10 period of such reemployment. Upon the subsequent termina-  
11 tion of employment by such a member, he shall be entitled  
12 to receive a pension based on his service and compensation  
13 prior to the date of his previous retirement. In the case  
14 of reemployment of a member who had retired under disability,  
15 he shall be treated as if he had been on uncompensated leave  
16 of absence during his period of disability retirement, and  
17 he shall again become a contributing member of the system  
18 and return to active service at the same salary step and  
19 grade as he was receiving immediately prior to his retire-  
20 ment.

~ (2)