ASRS Report, October 17th Board Meeting
The main item on the ASRS Board agenda was the approval of the legislative plan for the 2009 Session. The plan includes new Return to Work legislation and changes to the Plan Design.

RETURN TO WORK
The new RTW legislation will assess an "Alternative Contribution Rate" on ASRS employers that hire ASRS retired members who return to work in any capacity, working greater than the half time 20/20 rule. Time spent working for a private contractor, such as Smart Schools or ECI, will not count towards the one year required separation from an ASRS employer that qualifies a retiree to return to work without an ATR applied to their employment.

Kevin DeMenna spoke to the ASRS Board as a representative for Smart Schools. Kevin testified that Smart Schools believes the Board should put the RTW issue on hold until more accurate information can be gather and evaluated. Since the Board ignored his pleas, it appears Smart Schools will do what it can to defeat this legislation in the 2009 session.

Chuck Foy, speaking as a representative for the Arizona State Employees Association, told the Board his organization would support the RTW legislation but he could not speak of AEA or others.

I believe AEA and AEA-Retired should have offered their support at this meeting. Unfortunately, having no authority from AEA-Retired or AEA to speak to the issue, I was not able to offer our support.

PLAN DESIGN CHANGES
The ASRS will continue to advance changes in the Plan Design that have failed to pass in previous sessions. The changes would only affect those hired after the legislation goes into effect and would not impact the contribution rate until 30 years in the future. These changes involve the following:

- Changes the calculation of a member's average monthly salary from the highest 3 years to the highest 5 years.
- Raises the points for Normal Retirement from 80 to 85
- Limits a member, who terminates employment after five or more years, to a refund of only 25% of their employer's contribution.

Last year AEA did not support these changes. I have no direction from AEA at this time about what position it will take in 2009.
Steve Ramos
ASRS committee chairman