ASRS Report Notes Steve Ramos ASRS

I attended the second of four meetings of the Governor's Retirement Study Committee on Defined Contribution Plans and Pensions.

Members:
Honorable Doug Ducey, Chair Representative Chad Campbell
Senator Linda Gray Representative Justin Olson
Senator Jack Jackson Jr. Representative David Stevens
Senator Steve Yarbrough Alan Maguire
David K. Byers Scott Smith
Honorable Beth Ford Brian Tobin
Lauren Kingry

1. The meeting began with a brief overview of other states that have switched from a Defined Benefit plan to a Defined Contribution plan or some sort of hybrid. Most were hybrids. The presentation lacked any kind of detail. It left the committee asking staff for more information.

2. Review of ASRS and PSPRS supplemental retirement plans
Both ASRS and PSPRS have supplemental defined contribution plans.

5. Review of state retirement plan definitions related to compensation.

The committee also asked ASRS and PSPRS to do an analysis of spiking.

ASRS list multiple changes in plan design passed in the last few years to moderate spiking. PSPRS had done nothing except what was changed in SB 1609 this year.

Results PSPRS Study of Salary Spiking over 25%

Public Saftey/ Correction Officers/ Elected Officials

2011 22.6% increase/ 7.37% increase/ 7.04% increase
2010 27.27% increase/ 8.28% increase/ 8.57% increase
2009 29.77% increase/ 10.71% increase/ 0.00% increase
2008 25.16% increase 5.24% increase 9.09% increase

ASRS Salary Spiking Survey
Average Annual Increase in Salary 2004---2010: 4.03%
Average Annual Increase in 3 Years Prior to Final 3 Years: 6.22%
Average Annual Increase in Final 3 Years: 1.95%

- Conclusion: ASRS members are not spiking salaries.\