

ADOA – General Accounting Office

**AGENCY PAYROLL GUIDE:
PUBLIC SAFETY PERSONNEL
RETIREMENT SYSTEM**

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

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Overview

The objective of this quick reference guide is to provide general information on the process of Public Safety Personnel Retirement System (PSPRS) processing in HRIS as it relates to the Agency Payroll Specialist. The guide is not intended to be all-inclusive and may not offer step-by-step instructions.

Agency Payroll Functions

1. Ensure proper retirement (EORP, PSPRS, & CORP), disability and long-term disability (LTD) deductions for eligible employees are active.
2. Submit GAO-73A for partial period deductions during Industrial Leave, entry into DROP mid pay period or prior pay period contribution errors.
3. Evaluate, setup and maintain eligible retirees that require Alternate Contribution Rate (ACR) deductions.

Deadlines

1. Correct missed contributions for the current fiscal year within 30 days, or the end of the fiscal year, whichever is sooner.
2. GAO73-A due by 12 p.m. (noon) on compute Tuesday.
3. Agency HR to verify employee retirement elections on the 91st day of the waiting period (PSPRS Tier 3 employees/ CORP Tier 3 employees)
4. For contracted/leased retirees, GAO-ACR is to be completed and attached to the IETAT document in AFIS no later than 5:00 p.m. on the pay period end date of the pay period in which the agency made a payment to the contracted/leased retiree

Helpful Resources and Documents

Policies

Federal

Federal Guidance (Military Call Up) – Department of Labor - [USERRA](#)

Arizona Revised Statutes

[Title 38](#) Chapter 5

Article 3 - Elected Officials' Retirement Plan

Article 3.1 - Elected Officials' Defined Contribution Retirement System

Article 4 - Public Safety Personnel Retirement System

Article 4.1- Public Safety Personnel Defined Contribution Retirement Plan

Article 6 - Corrections Officer Retirement Plan

[A.R.S. §38-844.02](#) – DROP for employees hired before January 1, 2012

[A.R.S. §38-961](#)- Public Safety Supplemental Benefits Plan

SAAM

[SAAM 5545](#) Alternate Retirement Contributions for Reemployed, Leased, and Contracted Retirees

Forms

[GAO-73A](#) Request for One-Time Deduction

[GAO ACR PSPRS](#) Alternate Contribution Rate for contracted Retirees

<http://www.psprs.com/> Correction Officer Retirement Reform Tool Kit - Membership Forms

[Retirement Rates](#) Section B.2 Agency Payroll Guide

Contacts

PSPRS Website <http://www.psprs.com>

PSPRS Employee/Retiree (602) 255-5575

Nationwide www.nrsforu.com

PSPRS Introduction

The Public Safety Personnel Retirement System (PSPRS) was created by the state legislature for elected officials, judges, certain full-time certified peace officers, fire fighters and other public safety personnel assigned to hazardous duty. The PSPRS has 3 plan categories: EORP, PSPRS, and CORP described below. These retirement plans qualify under 401(a) of the Internal Revenue Code. The plans include both defined benefit plans and defined contribution plans.

PSPRS RETIREMENT PLANS MATRIX

Full list of all State retirement plans with current rates can be found in section I.B.2 of the Agency Payroll Guide. Rows are in order of Plan, Tier and Type (Defined Benefit and Defined Contribution) Columns represent Normal Contributions for Employee and Employer, Alternate Contribution Rate (ACR) and Supplemental Benefit Industrial Leave plans and deductions. The HR11 column displays the retirement code selected in the Retirement user field.

HR11	RETIREMENT PLAN DESCRIPTION	NORMAL CONTRIBUTIONS												ALTERNATE CONT.		SUPPLEMENTAL BENEFIT INDUSTRIAL LEAVE											
		EMPLOYEE				EMPLOYER								EMPLOYER		EMPLOYER				EMPLOYEE							
		PLAN	LTD	DISABILITY		PLAN	PLAN-LEGACY	LTD	DISABILITY					PLAN	LTD	PLAN-LEGACY	DISABILITY	DISABILITY									
DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT	DED	AMT						
CORP	3	ELECTED OFFICIALS & JUDGES <7/20/11 (415)	7907	7.00%			7908	61.43%			7520	0.27%			7940	41.12%											
	3A	ELECTED OFFICIALS & JUDGES 7/20/11-12/31/13 (415)	R001	13.00%			R002	61.43%			7520	0.27%			7940	41.12%											
	3E	ELECTED OFFICIALS DEFINED CONTRIBUTION >= 1/1/14	7813	8.00%	7987	0.125%	7814	8.00%	7986	55.43%	7520	0.27%	7888	0.125%	7940	41.12%											
CORP	0	CORRECTIONS (500)	7901	8.41%			7902	27.51%			7520	0.27%			7938	19.83%											
	2	JUVENILE CORRECTIONS (501)	7905	8.41%			7906	44.65%			7520	0.27%			7942	36.91%											
	G	PUBLIC SAFETY DISPATCHERS (563)	7933	7.96%			7934	42.26%			7520	0.27%			7944	35.12%											
	J	PUBLIC SAFETY DETENTION OFFICERS (564)	7961	8.41%			7962	27.56%			7520	0.27%			7958	16.07%											
	CORP Tier 3 Plans: EE Default Rate 7%, minimum election of 5%																										
	DC	CORRECTIONS Tier 3 DC (500)	R039	7.00%	7533	0.70%	R040	5.00%	R112	19.83%	7520	0.27%	7534	0.70%	7938	19.83%	S0C	R236	12.00%	7520	0.27%	R112	19.83%	7534	0.70%	7533	0.70%
	2C	JUVENILE CORRECTIONS Tier 3 DC (501)	R041	7.00%	7535	0.70%	R042	5.00%	R114	36.91%	7520	0.27%	7536	0.70%	7942	36.91%	S2C	R238	12.00%	7520	0.27%	R114	36.91%	7536	0.70%	7535	0.70%
	GC	PUBLIC SAFETY DISPATCHERS Tier 3 DC (563)	R043	7.00%	7537	0.70%	R044	5.00%	R116	35.12%	7520	0.27%	7538	0.70%	7944	35.12%	SGC	R240	12.00%	7520	0.27%	R116	35.12%	7538	0.70%	7537	0.70%
	XC	PUBLIC SAFETY DETENTION OFFICERS Tier 3 DC (564)	R045	7.00%	7539	0.70%	R046	5.00%	R118	16.07%	7520	0.27%	7540	0.70%	7958	16.07%	SJC	R242	12.00%	7520	0.27%	R118	16.07%	7540	0.70%	7539	0.70%

Elected Officials Retirement Plan (EORP)

Retirement plan for Elected Officials, Justices of the Supreme Court and Judges of the Court of Appeals.

Defined Benefit plan for members hired prior to 1/1/2014

Defined Contribution plan for members hired on or after 1/1/2014

Elected Officials Defined Contribution Retirement System (EODCRS)

Any newly appointed or elected official on/after January 1, 2014 will be required to pay into the Elected Officials' Defined Contribution Retirement System (EODCRS) Plan, which is a defined contribution (DC) plan that is currently administered by Nationwide Retirement Solutions. However, there are conditions that may prohibit this requirement, so the Requirements below define these paths, as applicable:

Path 1 Elected Officials' Retirement Plan (EORP)	If an elected official has an account (active or inactive) with the EORP, then they must pay into their existing EORP account under the defined benefit (DB) plan. HR11 Retirement Code 3 or 3A.
Path 2 Arizona State Retirement System (ASRS)	If an elected official does not have an account with EORP (active, inactive or retired), but has an account (active or inactive) with the ASRS, the elected official may be required to pay into their existing account with the ASRS; contact the ASRS. HR11 Retirement Code 1E.
Path 3 Elected Officials' Defined Contribution Retirement System (EODCRS)	This path applies to a newly appointed or elected official that does not have an active, inactive, or retired account with the EORP or the ASRS. HR11 Retirement Code 3E.
Path 4 Retired from either EORP or ASRS	If an elected official receives a pension from the EORP or ASRS, does not have an active or inactive account with the other System, and does not violate any return-to-work rules with the EORP, the employer of the retired member will be required to pay the alternate contribution rate (ACR) to the EORP since the retired member is in a position that would have normally been filled with a contributing member.

Opting Out of EORP Membership

An elected official or judge can elect not to participate in EORP plan and participate in ASRS instead. An employee can also make an irrevocable election not to participate in EORP or ASRS as provided in A.R.S. §38-727. The election is specific for that term of office.

Corrections Officer Retirement Plan (CORP)

Plan for Correctional Officers and other positions within Department of Corrections (DOC), Department of Juvenile Corrections (DJC), Public Safety Dispatchers and Detention Officers

- Defined Benefit Plan for members hired prior to 7/1/2018
- Defined Contribution Plan for members hired on or after 7/1/2018

CORP 90 Day Waiting Period

CORP eligible employee hired on or after July 1, 2018 are entered into a Tier 3 Defined Contribution Plan. The default rate for the Defined Contribution Plan is 7%. Employees can make a one-time irrevocable change to the percentage withheld either lowering to as low as 5% or increasing it to as high as IRC Limits. The employer contribution remains at 5% regardless what percentage the employee elects.

Agency HRIS Processing

1. Upon hire, agency HR will verify the employee's membership status via the PSPRS Employer Portal
2. An employee who is not an existing member of PSPRS will be placed into a Tier 3 CORP plan
3. Agency HR must complete the Enrollment form located on the PSPRS Employer Portal and submit the form to PSPRS. The Enrollment form and the employee's election must be completed by the agency HR and submitted to PSPRS no later than 10 days before the employee's first remitted contribution.

CORP eligible employees hired on or after September 1, 2019 will be subject to a 90-day waiting period.

4. During the 90-day waiting period, the employee must make an irrevocable percentage election on their PSPRS employee portal
5. PSPRS will notify the agency via email of the election made by the employee
6. Agency HR will use this election to enroll the employee in HRIS. The 90-day waiting period begins on their CORP eligible position date, not their hire date. (I.e. employees transferring from an ASRS agency).

Opting Out of CORP Membership

The following are examples of employees not participating in a PSPRS plan:

1. An employee with at least 5 years of ASRS credited service who transfers into a CORP position can submit a request to continue contributing to ASRS. The Board must approve a waiver.
2. An employee in a CORP position that drops to an FTE below 1.0 will be enrolled in ASRS provided they meet ASRS 20/20 membership criteria.
3. A Return to work Retiree can return to a different CORP position after 1 year from the effective retirement date and still receive pension benefits. The Agency will be obligated to pay ACR for the employee. There are also certain conditions where employees can return within 60 days, for those, refer to the statutes or the PSPRS for further guidance.



Public Safety Personnel Retirement System (PSPRS)

Plan for Certified Peace Officers, Fire Fighters, Game & Fish Wardens, Attorney General Investigators, Liquor Control Officers and State Park Rangers.

- Defined Benefit Plan for members hired prior to 7/1/2017
- Members hired on or after 7/1/2017 have the **option** to select Defined Contribution plan instead of Defined Benefit

PSPRS 90 Day Waiting Period

PSPRS eligible employees hired on or after July 1, 2017 are subject to a 90-day waiting period before they are eligible for membership in one of the PSPRS plans. During the 90-day waiting period, an employee must make an irrevocable decision to participate in either the Defined Benefit or the Defined Contribution plan. Contributions will begin in the pay period that includes the 91st day. An employee who fails to make an election by the 90th day will default into the Defined Benefit plan at 10.55% for PS and 9.94% for all other PS Plans.

Agency HRIS Processing

1. Upon hire, agency HR will verify the employee's membership status through the PSPRS Employer Portal
2. An employee who is not an existing member of PSPRS will be placed in the Defined Benefit plan
 - HR will populate a date in the **Benefit Date 1** field which represents day 1 of the 90-day waiting period
3. HR can utilize the PSPRS New Retirement Plan 90 Days Report in <https://reporting.hris.azdoa.gov> to monitor employees in the 90-day waiting period
4. At the end of the 90-day wait, HR must use the PSPRS Employer Portal to verify the employee's elections didn't change to the Defined Contribution plan
 - *If a change did occur, HR must process the PSPRS-RET Action to update the retirement code before payroll compute Tuesday to ensure the proper retirement deductions occur*

Deferred Retirement Option Plan (DROP) for PSPRS §38-844.02

This Plan is only for employees who were PSPRS members prior to January 1, 2012.

DROP is a voluntary and irrevocable retirement option for PSPRS members that defers an employee's retirement and allows continued active employment for up to 60 months. At the end of the period, the employee receives a lump sum payment in addition to their normal monthly retirement benefit. Participation is limited to 60 months (5 years).

As of 1/1/2019, employees are no longer contributing to DROP regardless of time in service. Any employee who enters the DROP program will have a retirement code of **H9** in HRIS.

Correcting Contribution Errors

Contribution adjustments for active employees must be made using the **GAO-73A Request for a One-Time Deduction** form. The GAO Central Payroll must receive the GAO-73A form by 12 pm (noon) on compute Tuesday. *Enter refunds as negative amounts.*

Calculating Amounts for GAO-73A One-Time Deduction Request Form

The GAO-73A is used to process:

- Missed contributions in the current fiscal year
- Wages paid in current fiscal year that were earned in a prior fiscal year (retro pay or prior pay period adjustments)
- Refund of contributions deducted in error

Wages included as compensation for PSPRS purposes are detailed in the A.R.S. for each Plan. The HRIS Pay Code Listing indicates if the pay code is included in EORP, PSPRS, or CORP wages.

Items to note:

1. Refunds are entered as negative amounts on the form
2. Calculate Deduction Amounts: use current fiscal year rate or rate difference of fiscal years
3. Complete and email the GAO-73A, by 12 pm (noon) on compute Tuesday

Missed contributions in Current Fiscal Year

Example

Employee’s deductions were set up incorrectly, deductions did not occur on employee’s pay period ending 12/15/17 wages of \$1,000. Employee is a member of the Corrections Officers Plan 500 (HR11 Retirement Code 0)

Calculation of deduction amounts:

Fiscal Year	Wages	CORP EE Rate	CORP ER Rate	LTD Rate (ER Only)	CORP EE Deduction (Wages * CORP EE Rate)	CORP ER Deduction (Wages * CORP ER Rate)	LTD Deduction (Wages * LTD Rate)
2018	\$1,000	8.41%	21.17%	0.27%	\$84.10	\$211.70	\$2.70

GAO-73A entries:

DEDUCTION CODE	DEDUCTION DESCRIPTION	DEDUCTION AMOUNT	WAGE AMOUNT		ENTER DATES	COMMENT
7901	RETIRE - CORP DOC - EE	84.10	1,000.00	PPB	12/2/2017	Missed
7902	RETIRE - CORP DOC - ER	211.70	1,000.00	PPE	12/15/2017	Contributions
7520	HARTFORD LONG TERM DISABILITY	2.70	1,000.00	PPB	12/2/2017	
				PPE	12/15/2017	

Refund Contributions Deducted in Error

Example

Employee needs a refund of contributions deducted in error. Review the pay history to obtain exact deduction amounts.

GAO-73A entries:

DEDUCTION CODE	DEDUCTION DESCRIPTION	DEDUCTION AMOUNT	WAGE AMOUNT		ENTER DATES	COMMENT
7901	RETIRE - CORP DOC - EE	(84.10)	(1,000.00)	PPB	12/2/2017	Contributions made in error
7902	RETIRE - CORP DOC - ER	(134.50)	(1,000.00)	PPE	12/15/2017	
7520	HARTFORD LONG TERM DISABILITY	(2.50)	(1,000.00)	PPB	12/2/2017	
				PPE	12/15/2017	

Wages Paid in Current Fiscal Year, Earned in Prior Fiscal Year

Example (Retro Pay or Prior Pay Period Adjustments)

These wages are subject to the rate in effect when the wages were earned. The HRIS will calculate the deductions based on the current fiscal year rates, thus requiring a GAO-73A to be submitted for the rate difference between fiscal years. If the retro applies to more than five prior fiscal year pay periods, contact Central Payroll for an alternate method to report the wage listing.

Employee will receive \$1,000 total in retroactive pay that includes two pay periods in the prior fiscal year. Employee is a member of the Corrections Officers Plan 500 (HR11 Retirement Code 0)

Calculate deduction amounts:

Fiscal Year	CORP Employee Rate	CORP Employer Rate	LTD Employer Rate	Wages	PSRS Rate Diff	PSRS OTD Amount (Wages * PSRS Rate Diff)
2017	8.41%	18.85%	.27%	\$500	-2.32%	(\$11.60)
2018	8.41%	21.17%	.27%	\$500	-2.32%	(\$11.60)
FY Rate Diff	0%	-2.32%	0.00%			

GAO-73A entries:

DEDUCTION CODE	DEDUCTION DESCRIPTION	DEDUCTION AMOUNT	WAGE AMOUNT		ENTER DATES	COMMENT
7901	RETIRE - CORP DOC - EE			PPB	4/22/2017	Retro Pay
7902	RETIRE - CORP DOC - ER	(11.60)	(500.00)	PPE	5/5/2017	FY Rate Difference
7901	RETIRE - CORP DOC - EE			PPB	5/6/2017	Reto Pay
7902	RETIRE - CORP DOC - ER	(11.60)	(500.00)	PPE	5/19/2017	FY Rate Difference

Contributions During Industrial Leave

PSPRS: §38-843(B); CORP: §38-891(D)

During a period of industrial leave, an employee can elect to continue contributions on an after-tax basis. The employee and employer will make contributions based on the compensation the employee would have received if the employee was in normal employment status. Refer to the HRIS pay code listing to see what pay codes are included in the PSPRS and CORP retirement. Contributing is an all or nothing situation; a full contribution or no contribution at all.

1. Employee elects to contribute: Submit GAO-73A with after-tax deduction codes
2. Employee elects not to contribute: Submit GAO-73A with normal retirement codes & negative amounts.

*When submitting a GAO-73A for industrial leave hours in a prior pay period in a prior fiscal year, use the retirement rate that was in effect at the time the employee was on industrial leave.

After-tax deduction codes:

DESCRIPTION	EE DEDUCTION CODE	ER DEDUCTION CODE
CORP DOC AFTER TAX	4051	4052
CORP DJ AFTER TAX	4055	4056
PSPRS EO&J AFTER TAX	4057	4058
PSPRS DPS AFTER TAX	4059	4060
PSPRS G&F AFTER TAX	4061	4062
PSPRS AGI AFTER TAX	4063	4064
PSPRS FIRE FIGHTERS AFTER TAX	4065	4066
PSPRS CAPITOL POLICE AFTER TAX	4067	4068
PSPRS LIQUOR CONTROL AFTER TAX	4069	4070
PSPRS PARKS AFTER TAX	4073	4074

Military Call-Up

Presidential Call-Up

PSPRS: A.R.S. §38-858; CORP: A.R.S. §38-907

1. Employer is responsible for covering all contributions for the first 48 months of military service.
 - Employer will pay by lump sum directly to PSPRS, upon employee's return if:
 - a) Employee is honorably separated from active duty and
 - b) Returns to State service within 90 days after separation
 - Agency will submit a GAO-73A form to refund employee any retirement deductions taken during the first 48 months of active military leave.
2. If military service extends past 48 months, contributions are split between employee and employer.
3. Covered service cannot exceed 60 months.

Non-Presidential Call Up

PSPRS: A.R.S. §38-858; CORP: A.R.S. §38-907

1. Employee and Employer are responsible for respective contributions
 - The employee’s compensation during the period of his or her military service is based on the rate of pay the employee would have received.
 - Repayment of the contributions can be made over three times the period of military served but no longer than five years.
 - Employer does not have to pay until employee pays their share
2. Contributions must be submitted together.
3. Covered service cannot exceed 60 months.

Alternate Contribution Rate (ACR)

Effective July 1, 2011, A.R.S. §38-810.04 (EORP), §38-891.01 (CORP), §38-843.05 (PSPRS), require an employer to pay an ACR for employees that have retired from one of the PSPRS plans and currently occupy a position that ordinarily contributes to that same retirement plan category. The employer shall pay contributions at an ACR on behalf of a retired member who returns to work unless the retired member is required to participate in another state retirement system **and** the retired member returned to work before 7/20/11. ACR contributions are an employer only charge.

Table of Responsibilities:

TASK	
Identifying	Agency HR
Adding ACR Deduction	Agency PR
Calculating ACR Amount	Central Payroll
ACR Contribution Reporting	Central Payroll
ACR Payment to PSPRS	Central Payroll

Identifying & Adding ACR

Agency Human Resources must check the PSPRS Employer Portal for the employee’s retirement status upon hiring. If they are **RETIRED and** the **Ordinary Pension** of the employee’s Position is the same as the Plan they retired from, an ACR is required.

Ordinary Pension Field:

HR 11 Assignment tab: Drill into the Position field, Drill on Position User Fields

Setup the appropriate deduction code on PR14; Effective Date is the return to work date:



DED_CODE	DESCRIPTION
7936	RETIREMENT ACR PSRS 007-ER
7938	RETIREMENT ACR CORP 500-ER
7940	RETIREMENT ACR EORP 415-ER
7942	RETIREMENT ACR CORP 501-ER
7944	RETIREMENT ACR CORP 563-ER
7946	RETIREMENT ACR PSRS 035-ER
7948	RETIREMENT ACR PSRS 151-ER
7950	RETIREMENT ACR PSRS 119-ER
7952	RETIREMENT ACR PSRS 164-ER
7954	RETIREMENT ACR PSRS 204-ER
7958	RETIREMENT ACR CORP 564-ER

Calculating, Reporting and Remitting ACR for Reemployed Retirees

1. Required contributions will be calculated by the HRIS and charged to each agency during the bi-weekly compute cycle payroll processing based on time records entered.
2. Amounts will be reported and remitted to PSPRS by Central Payroll as a part of the bi-weekly payroll cycle.
3. Refer to SAAM 5545 for requirements of ACR for Contracted/Leased Retirees.

Need Assistance?

View the Central Payroll Directory [click here](#)