

**NOTICE OF PROPOSED EXPEDITED RULEMAKING
TITLE 2. ADMINISTRATION
CHAPTER 8. STATE RETIREMENT SYSTEM BOARD**

PREAMBLE

<u>1. Article, Part, or Sections Affected</u>	<u>Rulemaking Action</u>
R2-8-104	Amend
R2-8-117	Amend
R2-8-118	Amend
R2-8-201	Amend
R2-8-202	Amend
R2-8-204	Amend
R2-8-205	Amend
R2-8-206	Amend
R2-8-207	Amend
R2-8-404	Amend
R2-8-502	Amend
R2-8-507	Amend

2. Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 38-714(E)(4)

Implementing statutes: A.R.S. §§ 38-711 et seq.

3. Citations to all related notices published in the *Register* that pertain to the record of the proposed expedited rules:

None

4. The agency’s contact person who can answer questions about the rulemaking:

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5. An agency’s justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

The agency needs to amend these rules consistent with its five-year review report that was approved by the Governor’s Regulatory Review Council in July 2020. These amendments will correct minor formatting and grammatical errors, as well as remove some information requirements that are no longer necessary. A.R.S. § 41-1027(A)(7) allows an agency to complete an expedited rulemaking if it “implements, without materials change, a course of action that is proposed in a five-year review report approved by the council.” In its 2020 five-year review report, the ASRS proposed to make these changes and the Council approved that proposed action in July 2020.

6. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material.

None

8. The preliminary summary of the economic, small business, and consumer impact:

Under A.R.S. § 41-1055(D)(2), ASRS is not required to provide an economic, small business, and consumer impact statement.

9. The agency’s contact person who can answer questions about the economic, small business, and consumer impact statement:

Not applicable

10. When, where, and how persons may provide written comments on the proposed expedited rules:

Close of record: December 22, 2020

A person may submit written comments on the proposed expedited rules no later than the close of record to the individual listed in item 3.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

None of the rules requires a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law, and if so, citation to the statutory authority to exceed the requirements of federal law:

There are no federal laws applicable to these rules.

c. Whether a person submitted an analysis to the agency that compares the rule's impact on the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

13. The full text of the rules follows:

TITLE 2. ADMINISTRATION
CHAPTER 8. STATE RETIREMENT SYSTEM BOARD
ARTICLE 1. RETIREMENT SYSTEM

- R2-8-104. Definitions
- R2-8-117. Return to Work After Retirement
- R2-8-118. Application of Interest Rates

ARTICLE 2. HEALTH INSURANCE PREMIUM BENEFIT

- R2-8-201. Definitions
- R2-8-202. Premium Benefit Eligibility and Benefit Determination
- R2-8-204. Premium Benefit Calculation
- R2-8-205. Premium Benefit Documentation
- R2-8-206. Six-Month Reimbursement Program
- R2-8-207. Optional Premium Benefit

ARTICLE 4. PRACTICE AND PROCEDURE BEFORE THE BOARD

- R2-8-404. Board Decisions on Hearings before the Office of Administrative Hearings

ARTICLE 5. PURCHASING SERVICE CREDIT

- R2-8-502. Request to Purchase Service Credit and Notification of Cost
- R2-8-507. Required Documentation and Calculations for Forfeited Service Credit

ARTICLE 1. RETIREMENT SYSTEM

R2-8-104. Definitions

- A. The definitions in A.R.S. § 38-711 apply to this Chapter.
- B. Unless otherwise specified, in this Chapter:
1. “Actuarial assumption” means an estimate of an uncertain future event that affects pension liabilities, or assets, or both.
 2. “Assumed actuarial investment earnings rate” means the assumed rate of investment return approved by the Board and contained in R2-8-118(A).
 3. “Authorized employer representative” means an individual specified by the ~~ASRS employer~~ Employer to provide the ASRS with information about a member who previously worked for the ASRS employer.
 4. “Contribution” means:
 - a. Amounts required by A.R.S. Title 38, Chapter 5, Articles 2 and 2.1 to be paid to the ASRS by a member or an employer on behalf of a member;
 - b. Any voluntary amounts paid to the ASRS pursuant to 2 A.A.C. 8, Article 5 by a member to be placed in the member’s account; and
 - c. Amounts credited by transfer under ~~A.R.S. § 38-9242~~ A.A.C. 8, Article 11.
 5. “Day” means a calendar day, and excludes the:
 - a. Day of the act or event from which a designated period of time begins to run; and
 - b. Last day of the period if a Saturday, Sunday, or official state holiday.
 6. “Designated beneficiary” means the same as in A.R.S. § 38-762(G) or another person designated as a beneficiary by law.

7. “Director” means the Director appointed by the Board as provided in A.R.S. § 38-715.
8. “Individual retirement account” or “IRA” means the types of eligible retirement plans specified in A.R.S. § 38-770(D)(3)(a) and (b).
9. “Party” means the same as in A.R.S. § 41-1001(14).
10. “Person” means the same as in A.R.S. § 41-1001(15).
11. “Plan” means the same as “defined benefit plan” in A.R.S. § 38-712(B), and as administered by the ASRS.
12. “Retirement account” means the same as in A.R.S. § 38-771(J)(2).
13. “Rollover” means a contribution to the ASRS by an eligible member of an eligible rollover distribution from one or more of the retirement plans listed in A.R.S. § 38-747(H)(2) and (H)(3).
14. “Terminate employment” means to end the employment relationship between a member and an ASRS employer with the intent that the member does not return to employment with an ASRS employer.
15. “United States” means the same as in A.R.S. § 1-215(39).

R2-8-117. Return to Work After Retirement

A. Unless otherwise specified, in this Section:

1. “Commencing employment” means the date a retired member who is not independently contracted or leased from a third party pursuant to R2-8-116(A)(4) renders services directly to an Employer for which the retired member is entitled to be paid.
2. “Returns to work” means the member retired from the ASRS prior to ~~commencing employment~~ Commencing Employment with an Employer.

- B.** Pursuant to A.R.S. § 38-766.01(C), a retired member who returns to work directly with an Employer shall submit a Working After Retirement form to each of the retired member's current Employers through the retired member's secure website account within 30 days of the retired member ~~commencing employment~~ Commencing Employment with an Employer.
- C.** Pursuant to A.R.S. § 38-766.02(E), within 14 days of receipt of a Working After Retirement form, an Employer shall verify the retired member's employment information and submit the verified Working After Retirement form to the ASRS through the Employer's secure website account for each retired member who returns to work with the Employer.
- D.** After a retired member returns to work, the Employer shall submit a verified Working After Retirement form to the ASRS through the Employer's secure website account within 30 days of a change in the actual hours or intent of each retired member's employment that results in:
1. The member's number of hours worked per week increasing from less than 20 hours per week to 20 or more hours per week; or
 2. The member's number of weeks worked in a fiscal year increasing from less than 20 weeks per fiscal year to 20 or more weeks per fiscal year.
- E.** The Working After Retirement form shall contain the following information:
1. The retired member's ~~social security~~ Social Security number or U.S. Tax Identification number;
 2. The retired member's full name;
 3. The date the member retired;
 4. Whether the retired member terminated employment, and if so, the date the retired member terminated employment;

5. The first date of ~~commencing employment~~ Commencing Employment upon the retired member's return to work;
 6. The intent of the retired member's employment reflected as:
 - a. The anticipated number of hours the retired member is engaged to work per week and the anticipated number of weeks the retired member is engaged to work per fiscal year; or
 - b. The actual number of hours the retired member works for an Employer per week and the actual number of weeks the retired member works for an Employer in a fiscal year.
 7. Acknowledgement by the retired member that the retired member has read the Return to Work information on the ASRS website and intends to ~~continue submitting the Working After Retirement form to the retired member's Employer~~ submit the Working After Retirement form to the Employer and submit any additional Working After Retirement forms to the Employer as required.
- F.** Upon discovering that the retired member's employment violates A.R.S. §§ 38-766 or 38-766.01, the ASRS shall send the retired member a Retiree Return to Work Notice of Non-Compliance with ASRS Statutes form.
- G.** By the due date specified on the Retiree Return to Work Notice of Non-Compliance with ASRS Statutes form, the retired member shall return the completed form and any supporting documentation to the ASRS indicating the action the retired member will take to correct the violation of A.R.S. §§ 38-766 or 38-766.01.
- H.** If the member does not submit the Retiree Return to Work Notice of Non-Compliance with ASRS Statutes form pursuant to subsection (G), the ASRS shall suspend the retired

member's retirement benefits from the date on the Retiree Return to Work Notice of Non-Compliance with ASRS Statutes form.

- I. If the ASRS suspends the retired member's retirement benefits pursuant to subsection (H), the ASRS shall reinstate the retired member's retirement benefits upon notice from the Employer that all violations pursuant to subsection (F) have been corrected.

R2-8-118. Application of Interest Rates

- A. Application of interest from inception of the ASRS Plan through the present is as follows:

Effective Date of Interest Rate Change	Assumed Actuarial Investment Earnings Rate	Interest Rate Used to Determine Return of Contributions Upon Termination of Membership by Separation from Service by Other Than Retirement or Death
7-1-1953	2.50%	2.50%
7-1-1959	3.00%	3.00%
7-1-1966	3.75%	3.75%
7-1-1969	4.25%	4.25%
7-1-1971	4.75%	4.75%
7-1-1975	5.50%	5.50%
7-1-1976	6.00%	5.50%
7-1-1981	7.00%	5.50%
7-1-1982	7.00%	7.00%
7-1-1984	8.00%	8.00%
7-1-2005	8.00%	4.00%
7-1-2013	8.00%	2.00%
7-1-2018	7.50%	2.00%

- B. At the beginning of each fiscal year, interest is credited to the retirement account of each member on the June 30 that marks the end of the fiscal year based on the balance in the

member's account as of the previous June 30. The balance on which interest is credited includes:

1. Employer and employee contributions;
2. Voluntary additional contributions made by members pursuant to A.R.S. §§ 38-742, 38-743, 38-744, and 38-745, if applicable;
3. Amounts credited by transfer under ~~A.R.S. § 38-922-2~~ A.A.C. 8, Article 11; and
4. Interest credited in previous years.

C. Notwithstanding subsection (B), the retirement account of each member stops accruing interest the last full month prior to the member's retirement date.

ARTICLE 2. HEALTH INSURANCE PREMIUM BENEFIT

R2-8-201. Definitions

The following definitions apply to this Article unless otherwise specified:

1. "Coverage" means a medical and/or dental insurance plan a retired member, Disabled member, or ~~contingent annuitant~~ beneficiary obtains through the ASRS or an Employer.
2. "Contingent annuitant" means the same as in A.R.S. § 38-711(8) and the person is eligible for Coverage.
3. "Disabled" means the member has a disability and is receiving long-term disability benefits pursuant to A.R.S. § 38-797 et seq.
4. "Family calculation" means the family Coverage premium described in A.R.S. § 38-783(B).
5. "Joint & survivor" means the annuity option described in A.R.S. § 38-760(B)(1).
6. "Net premium" means the amount of the Coverage premium reduced by the amount of the Premium Benefit provided by the ASRS.

~~7.~~ 7. “On file” means the same as in R2-8-115.

~~7-8.~~ 7-8. “Original retirement date” means the same as in R2-8-126.

~~8-9.~~ 8-9. “Optional premium benefit” means the election, upon retirement, to have the Premium Benefit paid on behalf of the member’s Contingent Annuitant upon death of the member pursuant to A.R.S. § 38-783.

~~9-10.~~ 9-10. “Period-certain” means the annuity option described in A.R.S. § 38-760(B)(2).

~~10-11.~~ 10-11. “Premium benefit” means the amount the ASRS provides on behalf of a retired member or Disabled member in order to offset the Coverage premium of the retired or Disabled member pursuant to A.R.S. § 38-783.

~~11-12.~~ 11-12. “Single calculation” means the single Coverage premium calculation described in A.R.S. § 38-783(A).

~~12-13.~~ 12-13. “Subsidized” means the same as in A.R.S. § 38-783(M)(4).

R2-8-202. Premium Benefit Eligibility and Benefit Determination

A. A retired member or Disabled member who has five or more years of service and who elects to maintain Coverage is eligible for a Premium Benefit as follows:

1. A retired member or Disabled member who elects to maintain Coverage for the retired member or Disabled member only, is eligible for a Single Calculation of the Premium Benefit as described in R2-8-204(A);
2. A retired member or Disabled member who elects to maintain Coverage for the retired member or Disabled member and a dependent who is not a retired member or Disabled member is eligible for a Family Calculation of the Premium Benefit as described in R2-8-204(B).

3. A retired member or Disabled member who elects to maintain Coverage for the retired member or Disabled member and a dependent who is a retired member or Disabled member is eligible for the greater of:
 - a. Two Single Calculations of the Premium Benefit described in R2-8-204(A); or
 - b. One Family Calculation of the Premium Benefit described in R2-8-204(B).
 4. A retired member or Disabled member who is enrolled as a dependent on ~~an~~ a active member's insurance plan is eligible for a Single Calculation of the Premium Benefit described in R2-8-204(A) if:
 - a. The retired member has an Original Retirement Date prior to August 2, 2012; or
 - b. The Disabled member became Disabled prior to August 2, 2012;
 5. A retired member or Disabled member who elects to maintain Coverage for the retired member or Disabled member and multiple dependents, some of whom are retired members or Disabled members, is eligible for the greater of:
 - a. Two Single Calculations of the Premium Benefit described in R2-8-204(A); or
 - b. One Family Calculation of the Premium Benefit described in R2-8-204(B).
- B.** Pursuant to A.R.S. § 38-783(E), a retired member who returns to work ~~as an active member~~ with an Employer and elects to maintain Coverage is eligible to receive a Premium Benefit if the member has an Original Retirement Date prior to August 2, 2012.
- C.** Pursuant to A.R.S. § 38-783(E), a Disabled member who elects to maintain Coverage is eligible to receive a Premium Benefit if the Disabled member became Disabled prior to August 2, 2012.
- D.** A member who receives a lump sum distribution from the ASRS upon retirement is eligible to receive a Premium Benefit pursuant to this Article.

E. Notwithstanding any other Section, a retired member who has an Original Retirement Date on or after August 2, 2012, or a Disabled member who became Disabled on or after August 2, 2012 is eligible to receive a Premium Benefit pursuant to this Article, only if Coverage is not Subsidized.

R2-8-204. Premium Benefit Calculation

A. A Single Calculation for a Premium Benefit is based on the retired member's or Disabled member's Coverage election, years of service, and Medicare or non-Medicare status.

B. A Family Calculation for a Premium Benefit is based on the retired member's or Disabled member's Coverage election, years of service, and Medicare or Non-Medicare status, and the Medicare or Non-Medicare status of any dependents for which the retired member or ~~disabled~~ Disabled member has obtained Coverage.

C. A Contingent Annuitant who is eligible to receive an Optional Premium Benefit pursuant to R2-8-207 shall receive an Optional Premium Benefit amount based on:

1. The retired member's years of service and optional retirement benefit election pursuant to A.R.S. § 38-760; and
2. The Contingent Annuitant's Coverage and Medicare or non-Medicare status.

D. Notwithstanding R2-8-203(H), if a Contingent Annuitant is a retired member, the Contingent Annuitant may be entitled to receive more than one Premium Benefit.

R2-8-205. Premium Benefit Documentation

A. Every year, prior to the effective date of Coverage, an Employer shall report to the ASRS all the Coverage plans and premium rates the Employer offers to its retired or Disabled employees.

- B.** An Employer shall inform the ASRS of any changes to the retired member's, Disabled member's, or Contingent Annuitant's Coverage, including enrollment in Coverage, maintained through the Employer within 30 days of the changes taking effect.
- C.** Using the Employer's secure ASRS website account, or another ASRS approved method, an Employer shall submit the following health insurance enrollment, change, and/or deletion information pursuant to subsection (B):
1. The retired member's, Disabled member's, or Contingent Annuitant's ~~social security~~ Social Security number or U.S. Tax Identification number;
 2. The retired member's, Disabled member's, or Contingent Annuitant's full name;
 3. ~~The retired member's, Disabled member's, or Contingent Annuitant's residential mailing address and telephone number~~;
 - 4.3. The retired member's, Disabled member's, or Contingent Annuitant's date of birth;
 - 5.4. The Coverage in which the retired member, Disabled member, or Contingent Annuitant is enrolling;
 - 6.5. The type of change that is being made to the Coverage;
 - 7.6. The following information for each dependent enrolled in, or to be enrolled in, Coverage:
 - a. First and last name;
 - b. ~~Social security~~ Social Security number or U.S. Tax Identification number;
 - c. Date of birth; and
 - d. Medicare number, if applicable.
 - 8.7. The old and new premium amounts for Coverage;
 - 9.8. The effective date of the change, deletion, and/or enrollment;

~~10.9.~~ The Employer's name and telephone number;

~~11.10.~~ A certification by the Employer representative's dated signature that the information is current and correct.

R2-8-206. Six-Month Reimbursement Program

- A. For a retired member or Disabled member who is eligible for a Premium Benefit pursuant to R2-8-202(A)(4) or (B), the ASRS shall remit the Premium Benefit to the retired member or Disabled member pursuant to subsection (B).
- B. Pursuant to subsection (A), the ASRS shall remit the Premium Benefit to the retired member or Disabled member every six months, payable in July and January. For purposes of this Section, the Premium Benefit shall be the aggregate amounts of the Premium Benefit the retired member or Disabled member is entitled to receive during the previous six months.
- C. In order to receive a Premium Benefit payment pursuant to subsection (B), a retired member or Disabled member shall submit to the ASRS the Reimbursement of Medical and/or Dental Cost (Six-Month Reimbursement Program) form after the last day of the last month for which the retired member or Disabled member is seeking reimbursement.
- D. The Reimbursement of Medical and/or Dental Cost (Six-Month Reimbursement Program) form that a retired member or Disabled member submits pursuant to subsection (C) shall include the following information:
 - 1. The retired member's or Disabled member's ~~social security~~ Social Security number or U.S. Tax Identification number;
 - 2. The retired member's or Disabled member's full name;
 - 3. The retired member's or Disabled member's mailing address and phone number;
 - 4. The retired member's or Disabled member's date of birth;

5. The retired member's or Disabled member's status with the ASRS;
6. The retired member's or Disabled member's status with the retired member's or Disabled member's Employer;
7. The following Coverage information for the Coverage policy holder:
 - a. First and last names;
 - b. Social ~~security~~ Security number or U.S. Tax Identification number;
 - c. Date of birth;
 - d. Effective date of Coverage;
8. The following information for each dependent enrolled in, or to be enrolled in, Coverage:
 - a. First and last name;
 - b. Social ~~security~~ Security number or U.S. Tax Identification number;
 - c. Date of birth;
 - d. Effective date of Coverage;
9. Six-month reimbursement totals identified by:
 - a. The month and year the premium is due for Coverage;
 - b. The total medical plan premium per month;
 - c. The total dental plan premium per month;
 - d. The employee's out-of-pocket payroll deduction for a medical premium per month;
 - e. The employee's out-of-pocket payroll deduction for a dental premium per month;
 - f. The employee's total out-of-pocket payroll deduction for medical and dental premiums per month;
10. The Employer's name;
11. The Employer's phone number;

12. The Employer's email address;
13. The name of the Employer's representative; and
14. The dated signature of the Employer's representative.

R2-8-207. Optional Premium Benefit

- A.** A member who retires on or after January 1, 2004 is eligible to elect the Optional Premium Benefit to be effective on the date of the retired member's retirement and may designate a Contingent Annuitant to receive the Optional Premium Benefit upon the death of the retired member if:
1. The retired member elects a retirement option under A.R.S. § 38-760; and
 2. The retired member elects to maintain Coverage.
- B.** A retired member who returns to active membership for 60 consecutive months or more before retiring again, may elect or re-elect the Optional Premium Benefit pursuant to subsection (A).
- C.** A retired member who does not return to active membership for 60 consecutive months or more before retiring again is not eligible to elect the Optional Premium Benefit pursuant to subsection (A) unless the retired member elected the Optional Premium Benefit to be effective on the date of the retired member's Original Retirement Date.
- D.** In order to elect, re-elect, or terminate the Optional Premium Benefit pursuant to subsection (A), the retired member shall submit to the ASRS the Optional Premium Benefit Program Election or Termination form containing the following information:
1. The retired member's Social Security ~~Number~~-number or U.S. Tax Identification number;
 2. ~~The retired member's full name and gender;~~
 3. ~~The retired member's current mailing address;~~

4. ~~The retired member's date of birth;~~
5. ~~The retired member's email address;~~
6. ~~The retired member's phone number;~~
- 7.2. Whether the retired member is electing, declining, or terminating the Optional Premium Benefit;
- 8.3. The following information for the Contingent Annuitant if the retired member is electing or re-electing the Optional Premium Benefit:
 - a. The Social Security ~~Number~~ number or U.S. Tax Identification number;
 - b. The full name; and
 - e. ~~The mailing address;~~
 - d. ~~The phone number;~~
 - e.c. The date of birth, if not On File; and
 - f. ~~The gender and relationship to the retired member; and~~
- 9.4. Certification of understanding by the retired member's dated signature of the following statements:
 - a. I have a one-time election at the time of retirement for this benefit, and have a retirement date on or after January 1, 2004;
 - b. I must elect a Joint & Survivor or Period-Certain annuity option;
 - c. If I elect to participate, my Contingent Annuitant must ~~either be~~ be either participating or eligible to participate in my retiree health care plan at the time of my death;
 - d. I must provide ~~a Social Security Number and~~ proof of birth date for my Contingent Annuitant;

- e. The Premium Benefit will be actuarially reduced for the remainder of my benefit and my Contingent Annuitant's benefit as long as the Optional Premium Benefit is elected; and
 - f. I may rescind the election at any time and be eligible for the unreduced Premium Benefit payable as provided by law.
- E.** In order to elect or re-elect the Optional Premium Benefit, a member shall submit the Optional Premium Benefit Program Election or Termination form to the ASRS prior to the member's ~~retirement date~~ Original Retirement Date.
- F.** A Contingent Annuitant the retired member designates to receive the Optional Premium Benefit upon the retired member's death is eligible to receive a Premium Benefit if:
- 1. The retired member designates the Contingent Annuitant as the primary beneficiary on the member's retirement account;
 - 2. The Contingent Annuitant is enrolled in a Coverage plan at the time of the member's death or the Contingent Annuitant enrolls in a Coverage plan within six months of the retired member's death pursuant to A.R.S. § 38-782(A); and
 - 3. The Contingent Annuitant is eligible to receive at least one monthly payment.
- G.** Upon the death of a retired member who elected the Optional Premium Benefit pursuant to subsection (A), the ASRS shall provide the Optional Premium Benefit on behalf of the retired member's Contingent Annuitant who is eligible to receive the Optional Premium Benefit pursuant to subsection (F).
- H.** Notwithstanding subsection (G), the amount of the Optional Premium Benefit the ASRS provides on behalf of a Contingent Annuitant shall not exceed the actual amount of the Coverage premium.

- I. Unless otherwise indicated by law, the Optional Premium Benefit shall not terminate upon the death of the retired member if a Contingent Annuitant is eligible for the Optional Premium Benefit pursuant to subsection (F).

ARTICLE 4. PRACTICE AND PROCEDURE BEFORE THE BOARD

R2-8-404. Board Decisions on Hearings before the Office of Administrative Hearings

A recommended decision from the Office of Administrative Hearings that is sent to ASRS at least 30 days before the Board’s next regular ~~monthly~~ meeting, shall be reviewed by the Board at that ~~monthly~~ meeting. At the ~~monthly~~ meeting, the Board shall render a decision to accept, reject, or modify the findings of fact, conclusions of law and recommendations in whole or in part. If the Board modifies or rejects a recommended decision, the Board shall state the reasons for the modification or rejection. The Board shall deliver the Board’s final decision to the Office of Administrative Hearings within five days after the ~~monthly~~ meeting at which the Board made the final decision.

ARTICLE 5. PURCHASING SERVICE CREDIT

R2-8-502. Request to Purchase Service Credit and Notification of Cost

A. An Eligible Member may request to purchase Service Credit electronically. The Eligible Member shall verify at the time of request, the following information for the Eligible Member:

1. Name;
2. Mailing address;
3. Date of birth;
4. Marital status;
5. Gender;

6. Primary email address;
7. Primary phone number; and
8. Which category of Service Credit the Eligible Member is requesting to purchase.

B. An Eligible Member who requests to purchase Service Credit pursuant to subsection (A) shall acknowledge the following statements of understanding:

1. Any person who knowingly makes any false statement or who falsifies or permits to be falsified any record of the retirement plan with an intent to defraud the plan is guilty of a class 6 felony per Arizona Revised Statutes Section 38-793; and
2. This transaction is subject to audit. If any errors or misrepresentations are discovered as a result of an audit, the Eligible Member's total credited service with the ASRS will be adjusted as necessary and if the Eligible Member is retired, the Eligible Member's retirement benefit will also be adjusted. Any overpayment(s) will be refunded. However, if a payment made with a rollover or pre-tax dollars is returned to the Eligible Member, there may be tax consequences as a result of this refund.

C. Upon receipt of the documentation required by this Article from the Eligible Member and if the Eligible Member's request to purchase Service Credit meets the requirements of this Article, the ASRS shall provide the following to the Eligible Member:

1. ~~A~~ An SP Invoice stating the cost to purchase the amount of Service Credit the member is eligible to purchase;
2. Instructions for electing method of payment; and
3. The date payment election is due.

- D. An Eligible Member who requests to purchase Service Credit pursuant to this section shall elect one or more methods of payment and submit the election to the ASRS by the date payment election is due.
- E. An Eligible Member who elects to purchase Service Credit using after-tax payments shall acknowledge the following information:
 - 1. After-tax payments must be from the Eligible Member and remitted to the ASRS by the Eligible Member;
 - 2. After-tax payments cannot be used to purchase political subdivision employment with a United States territory, commonwealth, overseas possession, or insular area; and
 - 3. If the Eligible Member joined the ASRS on or after July 1, 1999, §§ 415(b) and 415(c) of the IRC limit the after-tax money the Eligible Member can use to purchase Service Credit.

R2-8-507. Required Documentation and Calculations for Forfeited Service Credit

- A. An Eligible Member who requests to purchase Service Credit for Forfeited Service under A.R.S. § 38-742 shall provide the ASRS:
 - 1. The name of an Employer, if known, for which the Eligible Member is requesting to purchase Service Credit for Forfeited Service; and
 - 2. The year and month the Eligible Member believes the ASRS returned retirement contributions.
- B. Upon receipt of payment as specified in subsection (D), the ASRS shall apply the Service Credit to the Eligible Member's account based on the most recent Forfeited Service available for purchase.

- C. Notwithstanding subsection (B), if an Eligible Member has more than one return of contributions pursuant to A.R.S. § 38-740, the Eligible Member may elect to purchase Forfeited Service for any of the return of contributions and the ASRS shall apply the Service Credit to the Eligible Member's account based on the most recent Forfeited Service available for purchase.
- D. The amount the Eligible Member shall pay to purchase Service Credit for previously Forfeited Service is the amount of retirement contributions that the ASRS ~~returned~~issued, plus interest on that amount from the date on the return of retirement contributions check to the date of redeposit at the Assumed Actuarial Investment Earnings Rate specified in R2-8-118(A).