

Public Safety Personnel Retirement System

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 APPROVED
SPECIAL LINE ITEMS			
EORP Fund Deposit (Statutory Appropriation)	5,000,000	5,000,000	5,000,000 ^{1/}
Prescott Fire Employer Group Deposit	1,000,000	1,000,000	1,000,000 ^{2/}
AGENCY TOTAL	6,000,000	6,000,000	6,000,000
FUND SOURCES			
General Fund	6,000,000	6,000,000	6,000,000
SUBTOTAL - Appropriated Funds	6,000,000	6,000,000	6,000,000
Other Non-Appropriated Funds	49,555,300	52,971,200	52,971,200
TOTAL - ALL SOURCES	55,555,300	58,971,200	58,971,200

AGENCY DESCRIPTION — The Public Safety Personnel Retirement System (PSPRS) provides retirement, survivors, health, and disability benefits to public employees who work in a public safety capacity, such as law enforcement officials and firefighters. In addition, PSPRS staff administers the Correctional Officers Retirement Plan (CORP) and the Elected Officials Retirement Plan (EORP), which provide the same benefits to specified populations at the state and local level. PSPRS is not subject to appropriation. The EORP was closed to new enrollees as of January 1, 2014, at which time newly-elected officials are to be enrolled in the Elected Officials Defined Contribution Retirement System (EODC System).

FOOTNOTES

- ^{1/} This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.
- ^{2/} The FY 2020 General Appropriations Act appropriated \$1,000,000 from the state General Fund in each of FY 2020, FY 2021, FY 2022, FY 2023, FY 2024, FY 2025 and FY 2026 to the Public Safety Personnel Retirement System to be deposited in the employer account of the Prescott Fire Department Group to offset increased pension liability.

EORP Fund Deposit (Statutory Appropriation)

The budget includes \$5,000,000 from the General Fund in FY 2026 as part of the closure of the Elected Officials' Retirement Plan (EORP). This amount is unchanged from FY 2025. *(Please see the FY 2017 Appropriations Report and the Consolidated Retirement Report section in the FY 2020 Appropriations Report for more information.)*

The annual \$5,000,000 General Fund appropriation is authorized in permanent law through FY 2043 (A.R.S. § 38-810). As a result, monies in the line item are not included in the General Appropriations Act.

Prescott Fire Employer Group Deposit

The budget includes \$1,000,000 from the General Fund in FY 2026 for deposit into the employer account of the Prescott Fire Department group. This amount is unchanged from FY 2025.

The FY 2020 budget appropriated \$1,000,000 from the General Fund for deposit into the employer account of

the Prescott Fire Department each year from FY 2020 through FY 2026 to offset increased pension liabilities associated with the Yarnell Hill Fire. Because these funds were already appropriated in the FY 2020 budget, monies in the line item are not included in the General Appropriations Act.

In June 2013, 19 firefighters employed by the Prescott Fire Department died in the line of duty while fighting the Yarnell Hill Fire. The survivors of 10 firefighters ultimately qualified for PSPRS benefits. Their survivors qualify for ongoing payments equal to 100% of the employees' average monthly wages, including overtime. The increased liability resulting from these benefit payments is funded from the PSPRS employer account of the Prescott Fire Department through an increase in employer contribution rates. The funding in the FY 2015, FY 2019, and FY 2020 budgets were intended to offset these increased pension liabilities.

Long-Term Budget Impacts

As part of the budget's 3-year spending plan, PSPRS's General Fund costs would decrease by \$(1,000,000) in FY 2027 below FY 2026 following the end of the multi-year appropriation for the Prescott Fire Employer Group Deposit.

See the Consolidated Retirement Report section for more information on PSPRS membership and actuarial data.