



City of Maricopa

Legislation Text

File #: BDGT 12-006, **Version:** 1

The Mayor and City Council shall discuss and possibly take action on approving a transfer from General Fund, Contingency (10010000-99000) to Non-Departmental, Retirement Contributions (10010000-52300) in an amount not to exceed \$31,000 to cover the costs of Arizona State Retirement System contributions as a result of House Bill 2264 signed into law on May 7, 2012. Discussion and Action.

On May 7, 2012, Arizona Governor Jan Brewer signed into law House Bill (HB) 2264 which reverts the Arizona State Retirement System (ASRS) contribution rates from 47% employer funded, 53% employee funded to 50% employer funded and 50% employee funded (50/50). This legislation, which is effective immediately, also requires refunds to employees of excess retirement contributions retroactively back to July 1, 2011. This agenda item is to fund the current and prior employee refunds. This is a one-time expenditure for refunds only.

HB 2264 affects approximately 100 City of Maricopa employees participating in the ASRS. This legislation does not affect public safety employees participating in the Arizona Public Safety Personnel Retirement System.

The cost of the refunds is estimated not to exceed \$31,000; however, exact cost figures will not be known until the refunds are actually processed through the City's payroll system. The contingency transfer will not exceed the actual cost of the payroll. Upon approval of this request, staff is proposing retroactive refunds be paid prior to the regular pay period ended May 19, 2012, the pay period in which the City reverts back to the 50/50 formula for retirement contributions.

Although the City has until September to comply with this bill, since the current contingency fund has adequate monies, staff is recommending that the refunds be processed immediately. By paying this in the current fiscal year, there is no negative impact to the 2012-13 fiscal year. The tentative budget, requested for adoption on this May 15, 2012 Regular Agenda, anticipated approval of this legislation; therefore, there is no impact on the FY12-13 budget request.

Staff recommends approval of a transfer from General Fund, Contingency (10010000-99000) to Non-Departmental, Retirement Contributions (10010000-52300) in an amount not to exceed \$31,000 to cover the costs of Arizona State Retirement System contributions as a result of House Bill 2264 signed into law on May 7, 2012.