

NOTE 10: RETIREMENT PLANS

Plan Descriptions

The County contributes to the Arizona State Retirement System (**ASRS**), the Corrections Officer Retirement Plan (**CORP**), the Public Safety Personnel Retirement System (**PSPRS**), consisting of Pima County Sheriffs and Pima County - County Attorney Investigators, and the Elected Officials Retirement Plan (**EORP**). The **EORP** and the **PSPRS** - Pima County, County Attorney Investigators, are not described due to their relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The **ASRS** administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the County. The **ASRS** is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The **PSPRS** is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The **PSPRS**, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 189 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The **CORP** is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections, and County employees whose primary duties require direct inmate contact. The **CORP** is governed by the Fund Manager of **PSPRS** and 12 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by contacting the applicable plan.

ASRS

3300 N. Central Ave.  
P.O.Box 33910  
Phoenix, AZ 85067-3910  
(602) 240-2000  
(800) 621-3778

PSPRS and CORP

1020 E. Missouri Ave.  
Phoenix, AZ 85014  
(602) 255-5574

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates.

Cost-sharing plans For the year ended June 30, 2001, active **ASRS** members and the County were each required by statute to contribute at the actuarially determined rate of 2.66 percent (2.17 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The County's contributions to **ASRS** for the years ended June 30, 2001, 2000, and 1999 were \$6,233, \$5,589 and \$6,049 respectively, which were equal to the required contributions for the year.

Agent plans For the year ended June 30, 2001, active **PSPRS** members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 1.24 percent. As allowed by statute, the County contributed 3.65 percent of the members' required contribution, with the members contributing 4.00 percent. Active **CORP** members were required by statute to contribute 8.50 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 1.28 percent.

**Annual Pension Cost:** The County's pension cost for the two agent plans for the year ended June 30, 2001, and related information follow:

	PSPRS	CORP
Contribution rates:		
County	4.89%	1.28%
Plan members	4.00%	8.50%
Annual pension cost	\$ 1,044	\$ 169
Contributions made	\$ 1,044	\$ 169
Actuarial valuation date	June 30, 1999	June 30, 1999
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	9.00%	9.00%
Projected salary increases includes inflation at	6.5% - 9.5% 5.5%	5.5% - 9.5% 5.5%
Amortization method	Level percent open	Level percent open
Remaining amortization period from 7/1/99	20 years	20 years
Asset valuation method	smoothed market	smoothed market

**Trend Information:** Information for each of the three most recent actuarial valuations for each of the agent plans follows:

**Contributions Required and Contributions Made**

Plan	Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS	2001	\$ 1,044	100%	\$ -
	2000	1,304	100%	-
	1999	1,423	100%	-
CORP	2001	\$ 169	100%	\$ -
	2000	649	100%	-
	1999	769	100%	-

**Funding Progress:** An analysis of funding progress for each of the agent plans as of June 30, 2001, follows:

Plan	Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
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PSPRS	2001	\$	\$	106,271	\$	129.6%	\$	21,643	-
	2000			96,276		134.0%		18,278	-
	1999			89,068		128.8%		16,544	-
CORP	2001	\$	\$	27,728	\$ (8,876)	132.0%	\$	12,640	-
	2000			24,466		141.0%		12,912	-
	1999			22,752		130.9%		12,680	-