

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
Matrix of Plan Provisions (updated 7/2019)

	Tier 1	Tier 2	Tier 3	
Membership Date	Before January 1, 2012	On or after January 1, 2012	On or after July 1, 2017	
Plan Type	Defined Benefit (DB)	Defined Benefit (DB) (w/ Hybrid ¹)	Defined Contribution (DC) Only or Defined Benefit (w/ Hybrid ¹)	
Determination	Automatic		Irrevocable Career Choice (90 days; default to DB)	
Employee (EE) Contribution Rate	Membership Date		DB: 50/50 split with ER Hybrid: DB + 3% DC only: 9% + Disability	
	On or before July 19, 2011	On or after July 20, 2011		DB: 11.65% Hybrid: DB + 3%
	7.65%	11.65%		
Employer (ER) Contribution Rate	Based on individual actuarial valuation	DB: Individual Valuation Hybrid: DB + 4% for short period of time ² ; then 3%	DB: 50/50 split with EE + Legacy Hybrid: DB + 3% + Legacy DC only: 9% + Disability + Legacy ³	
Salary Cap	As set by Internal Revenue Code		\$110,000 as of July 1, 2017 (adjusted every 3 years)	
Inter-System Transfers	Liability from previous employer(s) stays with previous employer(s).			
Average Salary	High 3 in past 20 years	High 5 in past 20 years	High 5 in past 15 years	
Normal Retirement (age and service)	20 years of service ⁴ ; no age minimum 15 years of service; age 62	15+ years of service; minimum age 52.5 (need not be mutually attained)	15+ years of credited service; minimum age 55 (need not be mutually attained; actuarially reduced at 52.5)	
Disability and Survivor Benefits	All types of disability (Accidental, Catastrophic, Ordinary and Temporary) and survivor benefits are available to members of each tier who use the DB plan. However, disability and survivor benefits for Tier 3 members using the DC-only plan are limited to workplace related injuries and line of duty deaths. These benefits for DC-only members and survivors are also actuarially offset by the final balance of members' DC account with PSPRS.			
Multipliers (80% max)	50% plus 2.0% for years >20 and <25 2.5% for years >25 (reduced by 4% for <20 years ⁴)	The better of Tier 3 years & multipliers - or - 62.5% + 2.5% for years >25 (reduced by 4% for <25 years ⁴)	15 to <17 years: 1.50% 17 to <19 years: 1.75% 19 to <22 years: 2.00% 22 to <25 years: 2.25% 25+ years: 2.50%	
Deferred Annuity	At least 10 years (based on double contributions)	Not Available		
Benefit Increases Cost of living adjustment based on U.S. Bureau of Labor Statistics metro Phoenix-Mesa data.	Up to 2% . No funding requirement. No waiting period; prorated in first year of retirement		DB Plan members up to 2%. Payable after 7 years or age 60 70% to <80% funded: 1.0% cap 80% to <90% funded: 1.5% cap 90% or more funded: 2.0% cap	
Smoothing Period	Determined by Board (currently 7 years)		Not more than 5 years	
Amortization Period	No longer than 30 years		Layered (Not more than 10 years)	
Unfunded Liability	Applied to Tiers 1, 2 and 3 (DB and DC) payrolls (aka Legacy)		Applied to Tier 3 DB payroll only	
Deferred Retirement Option Program (DROP)				
Attainment of 20 years of credited service	Not Available			
Interest Rate	Assumed Earnings (AER)			

- The Hybrid plan is a pension with an additional DC 401(a) account for Tier 2 and 3 members who do not contribute to Social Security.
- Depending on the membership date of a Tier 2 member who does not contribute to Social Security, the employer will pay a matching 4% contribution for a specified short period of time at which point it will reduce to 3%. (ARS § 38-868(C))
- Employers must provide a matching contribution equal to 9% of the salary of Tier 3 members who elect to receive only DC benefits.
- For Tiers 1 and 2, years of service (periods of employment) are used to determine retirement eligibility, but years of credited service (periods of contributions received) are used to calculate the benefit amount.