

Good news from the Capitol!

It's not often that I get to send you good news from the capitol.

HB2264 employee; employer contributions; rate

Sponsor: Representative Bob Robson

AEA position: SUPPORT

This afternoon I testified in the House Employment and Regulatory Affairs Committee in favor of HB2264. It passed committee by a vote of 9 ayes – 0 nays. This bill reverts the retirement (ASRS) contribution rate back to an equal percentage for both employee and employer. Currently, employees are paying 53% of the retirement contribution rate, and employers are paying 47%. HB2264 reverts the ASRS rate back to an equal 50/50 split between employees and employers. It requires the ASRS to return employee contributions that were paid to the system in excess of the employer contributions from the date of the original change (July 1, 2011). If passed, this will give employees an increase in pay this school year. The details of the “how” are still to be determined. The ASRS could reduce the percentage withheld to school district employees for the remainder of the year (through June 30, 2012), or a one-time check may be issued to school employees.

The AEA sued the state on this issue, and we are awaiting a court decision at any time. Movement on this legislation is largely attributed to the fact that the legislature anticipates losing this lawsuit.

I talked to Representative Kavanagh (the House Appropriations Chairman) after today's committee vote. He affirmed that this bill will be wrapped into the budget as the final place where it will be sent to Governor Brewer. He indicated the Republican Caucuses in both the House and Senate are supportive of the issue. That was good news to hear from the House Appropriations Chairman.

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