



# PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)

PENSION FUNDING POLICY  
FY 2025/26 – MAY 29, 2025

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# PSPRS

## SUPPORTING ARIZONA'S PUBLIC SAFETY PERSONNEL

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Arizona Revised Statute - section 38-841, established PSPRS in 1968 to provide a unified and equitable **retirement program for the state's firefighters and police officers.**

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Arizona Revised Statute - section 38-848, **established a nine-member Board of Trustees**, which is entrusted with the fiduciary responsibility to serve its members and best protect the financial health of PSPRS, CORP (Corrections Officer Retirement Plan), and EORP (Elected Officials' Retirement Plan).

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PRSPS is made up of 3 tiers:

- Tier 1: Any sworn employee hired on or before June 30, 2012
- Tier 2: Any sworn employee hired between July 1, 2012 to June 30, 2017
- Tier 3: Any sworn employee hired on or after July 1, 2017

# *ARS 38-863.01*

## PENSION FUNDING POLICY

Beginning on or before each fiscal year, the governing body of an employer shall:

- Adopt a pension funding policy for the public safety personnel retirement system for employees who were hired before July 1, 2017
- Formally accept the employer's share of the assets and liabilities under the system based on the system's actuarial valuation report



## PENSION POLICY REQUIRED OBJECTIVES:

The pension funding policy includes funding objectives that address at least the following:

- **Maintain stability of contributions**
- **Meet minimum funding requirements**
- **Funding ratio target and timeline**



# CITY FUNDING STRATEGIES

- **Stabilized Investment**

Forecasted at approximately **\$102M-\$103M** in the future for annual contributions.

- additional contribution from public safety benchmark
- Stabilization of marijuana excise tax collections

- **Pension Stabilization Fund**

-\$20M in FY 25/26

- **Increased Range Boundaries**



# CURRENT STATUS

## TIER 1 AND 2 (PENSION + HEALTH)



Plan (As of June 30, 2023)	Assets	Liability	Unfunded Liability	Funded Status
Fire and Medical	\$ 287	\$ 545	\$ 258	52.6%
Police	\$ 520	\$ 1,022	\$ 502	50.8%
Total	\$ 806	\$ 1,567	\$ 761	
Plan (As of June 30, 2024)	Assets	Liability	Unfunded Liability	Funded Status
Fire and Medical	\$ 313	\$ 582	\$ 268	53.8%
Police	\$ 568	\$ 1,086	\$ 582	52.3%
Total	\$ 881	\$ 1,668	\$ 786	

Numbers rounded; in millions  
Actuarial received December 2024

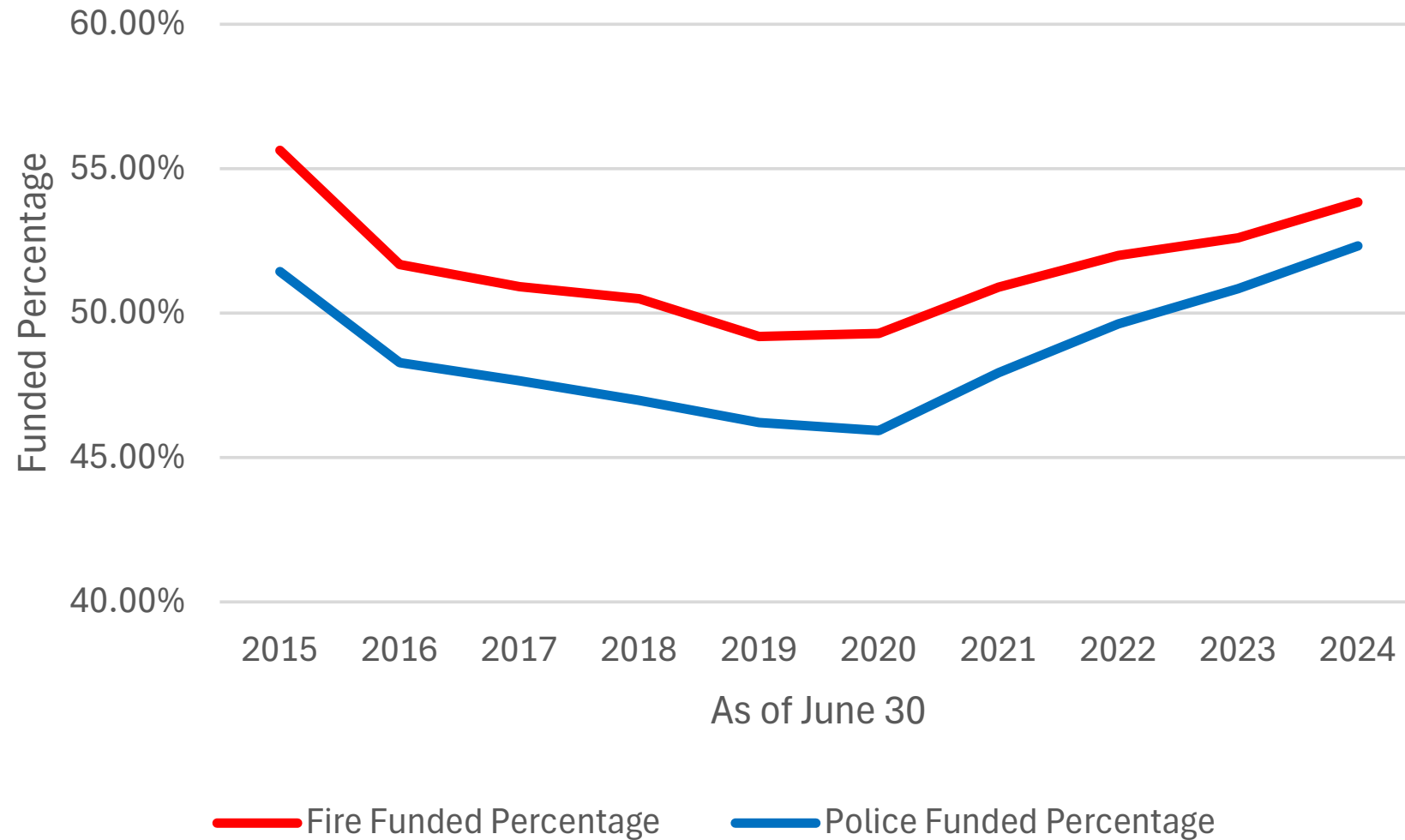




# MESA'S OUTLOOK

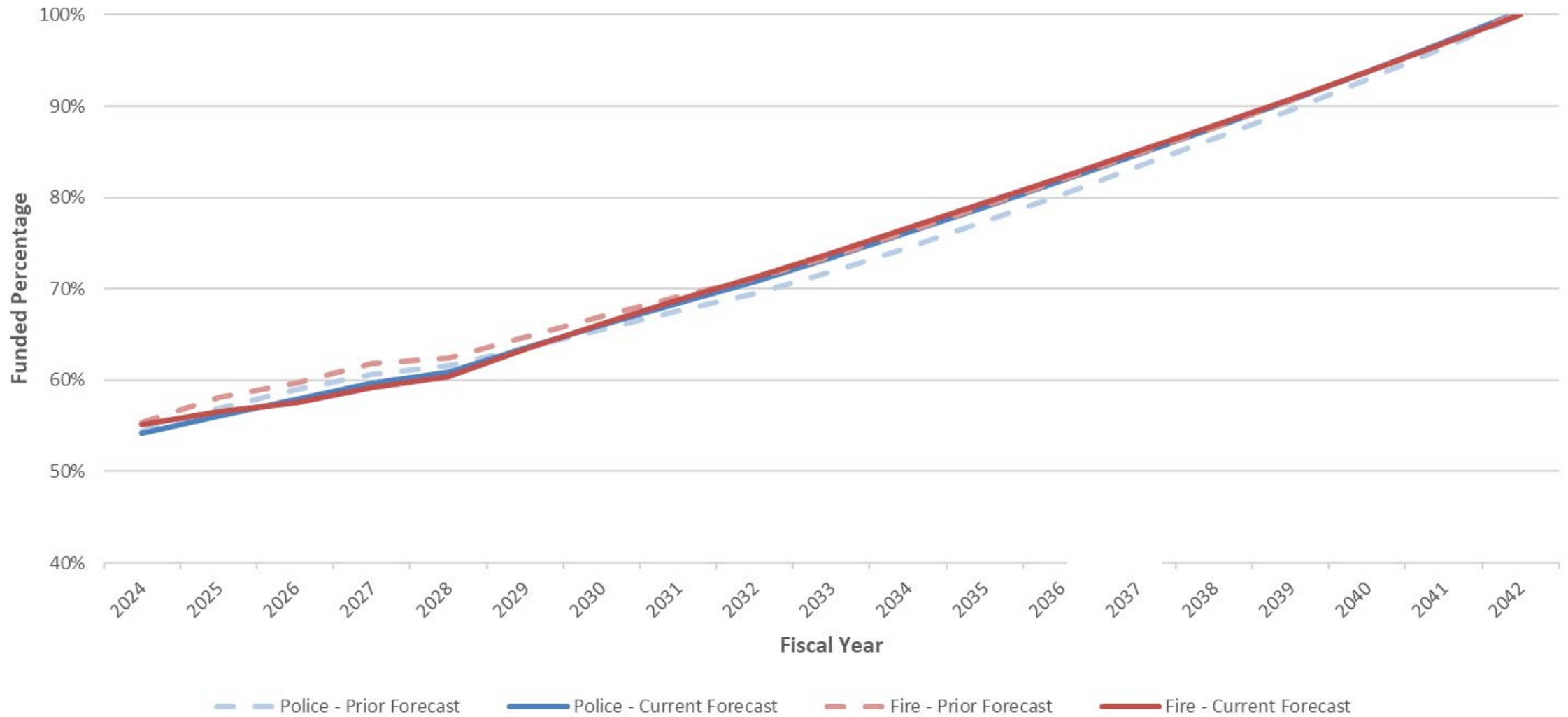
- **Continue to monitor market conditions and liability growth.**
- **Account for state and federal impacts**
- **Account for salary, overtime, and FTE growth**
- **Monitor Tier 3 population and salary growth**

# HISTORICAL FUNDED STATUS





# PSPRS FUNDED STATUS



## NEXT STEPS

Council to take action on adopting the  
PSPRS funding policy on:

JUNE 2, 2025



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