

Bond Case Briefs

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PENSIONS - ARIZONA

Wade v. Arizona State Retirement System

Supreme Court of Arizona - March 23, 2017 - P.3d - 2017 WL 1090470

Public employee and former public employee, as members of Arizona State Retirement System (ASRS), brought special action against ASRS, ASRS Board, and city employer seeking mandamus, declaratory, and injunctive relief relating to how city calculated their annual “compensation” in order to determine employer and employee contributions to ASRS.

The Superior Court granted ASRS’ motion to dismiss former employee’s claim for failure to exhaust administrative remedies, and entered summary judgment in favor of ASRS and against employee. Employee and former employee appealed. The Court of Appeals, Swann reversed and remanded. The ASRS petitioned for review.

The Supreme Court of Arizona held that:

- Contributions into the ASRS for benefit of city employee formed part of her salary, and thus, was compensation as defined in statute governing ASRS and used to calculate employer contributions to ASRS, and
- There was no reason to defer to ASRS’s interpretation of the statute.

In determining whether city’s contributions into the Arizona State Retirement System (ASRS) for the benefit of city employee formed part of her salary, and thus, was “compensation” as defined in statute governing ASRS and used to calculate employer contributions to ASRS, there was no reason to defer to ASRS’s interpretation of the statute, when the legislature explicitly defined “compensation” in the statute, and the Supreme Court was able to ascertain legislative intent by applying interpretive principles.