

"AN ACT TO AMEND SECTIONS 2, 3 AND 4 OF ACT 187 OF 1973, AS AMENDED [ARK. STATS. 12-2549.3, 12-2549.4 AND 12-2549.5], TO CHANGE THE TIME PERIOD FROM WHICH INTEREST IS CALCULATED FOR PURCHASED SERVICE CREDIT IN THE PUBLIC EMPLOYEES RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 2 of Act 187 of 1973, as amended, the same being Arkansas Statute 12-2549.3, is hereby amended to read as follows:

"Section 2. Any member of the Arkansas Public Employees Retirement System who became or becomes such member on the date that his employer became or becomes a public employer in the system shall receive current service credit for employment with a public employer in the System; provided that, such employment occurred during the period July 1, 1957, to the date the public employer entered the system in the case of State, County or Municipal employees; or during the period of October 1, 1957, to October 1, 1965, in the case of non-teaching public school employees; and such member shall receive credit for employment with the University of Arkansas System if such employee was not eligible for coverage or did not participate in a retirement plan authorized by the University of Arkansas and by the laws of the State of Arkansas during such service; provided further that such member pays or causes to be paid all contributions, employee and employer, that would have been paid had he been a member of the System during that time, together with interest of six percent (6%) per annum, compounded annually from the date that his last public employer entered the System to the date of payment or from the date the service is rendered to the date of payment, whichever is later in time. Such payment shall be made in a lump sum.

The member may pay for all his current service credit or a portion thereof consisting of multiples of one (1) year."

SECTION 2. Section 3 of Act 187 of 1973, as amended, the same being Arkansas Statute 12-2549.4, is hereby amended to read as follows:

"Section 3. Any member of the Arkansas Public Employees Retirement System who became or becomes such a member on the date that his employer became or becomes a public employer in the System, and who did not or does not qualify for prior service credit, shall receive current service credit for employment with a public employer in the system, or with the University of Arkansas System if the employee was not eligible for coverage or did not participate in a retirement plan authorized by the University of Arkansas and by the laws of the State of Arkansas; provided that he has at least five (5) years of current service credit since becoming a member of the System; provided further that, he pays or causes to be paid all contributions, employee and employer, at the rate, on the compensation that would have been paid had he been a member of the System during that time, together with interest at six percent (6%) per annum, compounded annually from the date that his last public employer entered the System to the date of payment or from the date the service is rendered to the date of payment, whichever is later in time. The compensation to be used in computing such payments shall be the compensation on which contributions would have been made had the person been a member of the System during the time for which current service credit is purchased. Such payment shall be made in a lump sum.

The member may pay for all his prior and interim current service or a

portion thereof consisting of multiples of one (1) year."

SECTION 3. Section 4 of Act 187 of 1973, as amended, the same being Arkansas Statute 12-2549.5, is hereby amended to read as follows:

"Section 4. Any member of the Arkansas Public Employees Retirement System who became or becomes such member after the date that his employer became or becomes a public employer in the System, shall receive current service for employment with a public employer in the System, or with the University of Arkansas System if the employee was not eligible for coverage or did not participate in a retirement plan authorized by the University of Arkansas and by the laws of the State of Arkansas during such employment; provided that, he has at least five (5) years of current service credit since becoming a member of the System; provided further that, he pays or causes to be paid all contributions, employee and employer, at the rate, on the compensation that would have been paid had he been a member of the System during that time, together with interest at six percent (6%) per annum, compounded annually from the date that his last public employer entered the System to the date of payment or from the date the service is rendered to the date of payment, whichever is later in time. The compensation to be used in computing such payments shall be the compensation on which contributions would have been made had the person been a member of the System during the time for which current service credit is purchased. Such payment shall be made in a lump sum. The member may pay for all his prior and interim current service or portion thereof consisting of multiples of one (1) year."

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 3/19/87

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