

"AN ACT TO AMEND SUBSECTION 3 OF SECTION 5 OF ACT 793 OF 1977 AS AMENDED [ARK. STAT. 12-3305 (5.03)], TO REMOVE THE SOCIAL SECURITY OFFSET FOR NON-CONTRIBUTORY RETIRANTS UNTIL AGE 62; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection 3 of Section 5 of Act 793 of 1977 as amended, the same being Arkansas Statute 12-3305 (5.03), is hereby amended to read as follows:

"5.03. Upon a member's retirement he shall receive an annuity for life equal to the total of the following amounts: for each year of credited service resulting from employment in a position covered at any time by Social Security or another federal retirement plan supported wholly or in part by employer contributions, the difference between 1.8% of his final average pay and 1.25% of his Social Security primary benefit; plus for each year of credited service resulting from employment in a position never so covered, 1.8% of his final average pay. In addition, if a member has credited service resulting from employment in a position covered at any time by Social Security or another federal retirement plan supported wholly or in part by employer contributions, and if such member is retiring as provided in section 5.01 or section 5.02 or section 5.06, and if such member's age at retirement is younger than (i) Social Security's minimum age for an immediate retirement benefit and (ii) age 62, then such member shall receive a temporary annuity equal to 1.25% of his Social Security primary benefit for each year of such credited service. Such temporary annuity shall terminate at the end of the calendar month in which the earliest of the following events occurs: such member's death; or his attainment of such Social Security minimum age; or his attainment of age 62. It is considered sound public policy that retirement pay not exceed working pay, except for increases after retirement caused by inflation. Accordingly, at time of retirement the total of named plan annuities, resulting from employment in a position also covered by Social Security, plus his Social Security primary benefit shall not exceed his final average pay; provided, in no event shall such named plan annuities be less than such years of credited service multiplied by 0.7% of his final average pay."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that under the present Public Employees Retirement System law the benefits of retirants who retire before becoming eligible to receive Social Security benefits, are reduced substantially by a Social Security offset; that in many cases this Social Security offset places a severe hardship on the retirant; that this Act is designed to provide that the Social Security offset for public employee retirants shall not be applied until the retirant reaches age sixty-two, and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: April 14, 1987

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