

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Representative McGinnis**

# A Bill ACT 224 OF 1991

## HOUSE BILL 1101

### For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 24, CHAPTER 3, SUBCHAPTER 2 OF THE  
9 ARKANSAS CODE OF 1987, TO CHANGE THE NONCONTRIBUTORY BASIC  
10 BENEFIT FORMULA BY REMOVING THE SOCIAL SECURITY OFFSET AND  
11 DECREASING THE MULTIPLIER; AND FOR OTHER PURPOSES."

12  
13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

14  
15 SECTION 1. Arkansas Code §24-3-201(e) is hereby amended to read as  
16 follows:

17 "(e) (1) Beginning July 1, 1991, upon a member's retirement, he shall  
18 receive an annuity for life equal to the total of the following amounts: For  
19 each year of credited service resulting from employment in a position covered  
20 at any time by social security or another federal retirement plan supported  
21 wholly or in part by employer contributions, one and fifty-five hundredths  
22 percent (1.55%) of his final average pay plus, for each year of credited  
23 service resulting from employment in a position never so covered, one and  
24 eight hundred, seventy-two thousandths percent (1.872%) of his final average  
25 pay.

26 (2) In addition, if a member has credited service resulting from  
27 employment in a position covered at any time by social security or another  
28 federal retirement plan supported wholly or in part by employer contributions,  
29 and if that member is retiring as provided in subsections (a)-(d) of this  
30 section or 24-3-207(a), and if that member's age at retirement is younger  
31 than:

32 (A) Social security's minimum age for an immediate  
33 retirement benefit; and

34 (B) Age sixty-two (62), then that member shall receive a  
35 temporary annuity equal to three hundred, twenty-two thousandths percent  
36 (0.322%) of his final average pay for each year of such credited service.

1           (3) The temporary annuity shall terminate at the end of the  
2 calendar month in which the earliest of the following events occurs:

- 3                   (A) The member's death; or
- 4                   (B) His attainment of the social security minimum age; or
- 5                   (C) His attainment of age sixty-two (62).

6           (4) If no temporary annuity is payable as provided in this  
7 subsection, or after such temporary annuity has terminated, and if such member  
8 has at retirement any credited service for any period of time prior to July 1,  
9 1991, then the future payments of such annuity for life shall not be less than  
10 they would have been under the provisions of this subsection that were in  
11 effect on July 1, 1990 plus four percent (4%).

12           (5) It is considered sound public policy that retirement pay not  
13 exceed working pay, except for increases after retirement caused by inflation;  
14 accordingly, at time of retirement, the total of named plan annuities  
15 resulting from employment in a position also covered by social security, plus  
16 his social security primary benefit, shall not exceed his final average pay.

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18           SECTION 2. All provisions of this act of a general and permanent nature  
19 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
20 Revision Commission shall incorporate the same in the Code.

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22           SECTION 3. If any provision of this act or the application thereof to  
23 any person or circumstance is held invalid, such invalidity shall not affect  
24 other provisions or applications of the act which can be given effect without  
25 the invalid provision or application, and to this end the provisions of this  
26 act are declared to be severable.

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28           SECTION 4. All laws and parts of laws in conflict with this act are  
29 hereby repealed.

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31           SECTION 5. EMERGENCY CLAUSE. It is hereby found and determined by the  
32 Seventy-Eighth General Assembly that the benefits provided to members of the  
33 Arkansas Public Employees Retirement System are inadequate and that an  
34 increase should be provided as soon as practicable in order to provide  
35 adequate benefits. Therefore, an emergency is hereby declared to exist and

1 this act being necessary for the immediate preservation of the public peace,  
2 health and safety shall be in full force and effect from and after July 1,  
3 1991.

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APPROVED: 2-25-91

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