

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/4/03 H4/3/03

A Bill

Act 1371 of 2003
HOUSE BILL 1226

5 By: Representative R. Smith
6 By: Senators J. Bookout, J. Jeffress, Faris
7

For An Act To Be Entitled

10 AN ACT TO ALLOW THE PARTICIPANTS OF POLICE AND
11 FIRE DEFERRED RETIREMENT OPTION PLANS TO CONTINUE
12 WITH THE DEPOSIT OF FUNDS IN THE DROP PLAN AFTER
13 THE EXPIRATION OF THE PARTICIPATION PERIOD IN THE
14 DROP PLAN; AND FOR OTHER PURPOSES.

Subtitle

16 TO ALLOW PARTICIPANTS IN POLICE AND FIRE
17 DEFERRED RETIREMENT OPTION PLANS TO
18 CONTINUE THE DEPOSIT OF FUNDS IN THE
19 DROP PLAN.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-11-434(f), concerning the deferred
26 retirement option plan for policemen's pension and relief funds, is amended
27 to read as follows:

28 (f)(1) A participant in the plan shall receive, at the option of the
29 participant, a lump sum payment from the account equal to the payments to the
30 account or a true annuity based upon the account of the participant or may
31 elect any other method of payment if approved by the board of trustees.

32 (2) If approved by a majority vote of the governing body of the
33 sponsoring municipality and the board of trustees, a participant in the
34 deferred retirement option plan may defer receiving payment of the
35 participant's account and continue with the funds deposited in the plan.

36 (3)(A) Interest credited to the continuing deposit of funds in



1 the plan under subdivision (f)(2) of this section shall be calculated in the
2 same manner as interest under subdivision (e)(2) of this section.

3 (B) However, the minimum interest rate shall not be less
4 than zero percent (0%).

5 (4) The payment of funds accumulated while participating in the
6 deferred retirement option plan may only be deferred one (1) time. These
7 funds must be distributed or annuitized by December 31 of the year a member
8 attains age seventy and a half (70½.).

9
10 SECTION 2. Arkansas Code § 24-11-434, concerning the deferred
11 retirement option plan for policemen's pension and relief funds, is amended
12 to add an additional subsection to read as follows:

13 (j) The Arkansas Fire and Police Pension Review Board may promulgate
14 regulations to make the plan under this section comply with the requirements
15 of this section and with the applicable portions of the federal Internal
16 Revenue Code, as it existed on January 1, 2003.

17
18 SECTION 3. Arkansas Code § 24-11-830(f), concerning the deferred
19 retirement option plan for firemen's pension and relief funds, is amended to
20 read as follows:

21 (f)(1) A participant in the plan shall receive at the option of the
22 participant a lump sum payment from the account equal to the payments to the
23 account or a true annuity based upon the account of the participant or may
24 elect any other method of payment if approved by the board of trustees.

25 (2) If approved by a majority vote of the governing body of the
26 sponsoring municipality and the board of trustees, a participant in the
27 deferred retirement option plan may defer receiving payment of the
28 participant's account and continue with the funds deposited in the plan.

29 (3)(A) Interest credited to the continuing deposit of funds in
30 the plan under subdivision (f)(2) of this section shall be calculated in the
31 same manner as interest under subdivision (e)(2) of this section.

32 (B) However, the minimum interest rate shall not be less
33 than zero percent (0%).

34 (4) The payment of funds accumulated while participating in the
35 deferred retirement option plan may only be deferred one (1) time. These
36 funds must be distributed or annuitized by December 31 of the year a member

1 attains age seventy and a half (70½).

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SECTION 4. Arkansas Code § 24-11-830, concerning the deferred retirement option plan for firemen's pension and relief funds, is amended to add an additional subsection to read as follows:

(h) The Arkansas Fire and Police Pension Review Board may promulgate regulations to make the plan under this section comply with the requirements of this section and with the applicable portions of the federal Internal Revenue Code, as it existed on January 1, 2003.

/s/ R. Smith

APPROVED: 4/15/2003