

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: H1/30/03 H3/21/03

A Bill

Act 1734 of 2003
HOUSE BILL 1196

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

For An Act To Be Entitled

10 AN ACT TO ESTABLISH A DEFERRED RETIREMENT OPTION
11 PLAN FOR THE ARKANSAS LOCAL POLICE AND FIRE
12 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO ESTABLISH THE LOCAL POLICE AND FIRE
15 DEFERRED RETIREMENT OPTION PLAN.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 24, Chapter 10, is amended to add an
22 additional subchapter to read as follows:

23 Subchapter 7. Local Police and Fire Deferred Retirement Option Plan.
24 24-10-701. Election to participate.

25 (a) In lieu of terminating employment and accepting a paid service
26 retirement benefit, a police officer or fire fighter who is a member in paid
27 service with the Arkansas Local Police and Fire Retirement System, who has at
28 least twenty-eight (28) years of service, may elect to participate in the
29 Local Police and Fire Deferred Retirement Option Plan and defer the receipt
30 of benefits in accordance with the provisions of this subchapter.

31 (b) The Board of Trustees of the Arkansas Local Police and Fire
32 Retirement System shall approve the participation in the plan.
33

34 24-10-702. Credited service.

35 For purposes of this subchapter, credited service:

36 (1) Includes military service credit under § 24-10-502; and



1 (2) Shall not include service credit that is volunteer service or
2 other credited service that is purchased under the system.

3
4 24-10-703. Contributions.

5 (a) If a member begins participation in the Local Police and Fire
6 Deferred Retirement Option Plan, the employer and employee contributions
7 shall continue to be paid.

8 (b) Employer and employee contributions for employees who participate
9 in the plan shall be credited to the Arkansas Local Police and Fire
10 Retirement System.

11 (c) Seventy-five percent (75%) of the member's monthly retirement
12 benefit that would have been payable had the member elected to cease
13 employment and receive a service retirement shall be paid into the members'
14 plan account.

15
16 24-10-704. Benefits - Rate of return.

17 (a) The member's monthly retirement benefit shall not change unless
18 the retirement annuity as defined in § 24-10-602 is increased.

19 (b)(1) A member who participates in this plan shall be credited
20 interest at a rate of six percent (6%) per annum.

21 (2) The interest shall be credited to the individual account
22 balance of the member on an annual basis.

23
24 24-10-705. Method of payment.

25 At the option of the participant, the participant in the Local Police
26 and Fire Deferred Retirement Option Plan shall receive:

27 (1) A lump-sum payment from the account equal to the payments into the
28 plan account;

29 (2) A monthly annuity that is the actuarial equivalent of the lump sum
30 amount and paid in the form of one of the options for an annuity under § 24-
31 10-603.

32 (3) Another method of payment if another method is approved by the
33 board of trustees of the Arkansas Local Police and Fire Retirement System.

34
35 24-10-706. Duration.

36 (a) The duration of participation in the Local Police and Fire

1 Deferred Retirement Option Plan for active paid service police officers and
2 fire fighters shall not exceed five (5) years.

3 (b) At the conclusion of a member's participation in the plan, the
4 member shall terminate employment with the employer and shall start receiving
5 the member's monthly retirement benefit that would have been received if the
6 member had retired at the time the member elected to participate in the Local
7 Police and Fire Deferred Retirement Option Plan.

8
9 24-10-707. Death of participant.

10 (a) If the participant dies during the period of participation in the
11 Local Police and Fire Deferred Retirement Option Plan, a lump sum payment
12 equal to the account balance of the participant shall be paid to the
13 participant's survivors or, if none, to the participant's estate.

14 (b) A survivor is entitled to the annuity provided under § 24-10-708
15 based on the service and final average salary at the time the member elected
16 to participate in the plan.

17
18 24-10-708. Disability of a participant.

19 If the participant becomes disabled during the period of participation
20 in the Local Police and Fire Deferred Retirement Option Plan, the participant
21 shall be treated as any other member who has elected to conclude the other
22 member's participation.

23
24 24-10-709. Partial-annuity and lump-sum option.

25 (a) If a member does not terminate employment and retire on the date
26 the member meets the service requirements of § 24-10-604 for an unreduced
27 annuity and was not eligible for or has not elected to participate in the
28 Local Police and Fire Deferred Retirement Option Plan as provided in this
29 subchapter, the member may elect at the time of retirement to participate in
30 the partial-annuity and lump-sum option under this section.

31 (b)(1)(A) A member electing to participate shall be eligible to
32 receive, at the time of retirement, a lump sum distribution in an amount not
33 exceeding one (1) month of benefit for each completed month of service beyond
34 eligibility for an unreduced benefit.

35 (B) The lump sum shall not exceed an amount equal to sixty
36 (60) months of benefits.

1 (2) The member electing to participate in the partial-annuity
2 and lump-sum option shall then have the member's annuity reduced by an amount
3 that is an actuarially determined equivalent of the withdrawal amount.

4 (d) The Board of Trustees of the Arkansas Local Police and Fire
5 Retirement System shall adopt rules and regulations under this section
6 governing the application for the partial-annuity and lump-sum option and the
7 determination of the actuarially equivalent amount of the withdrawal.

8 */s/ R. Smith*

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11 **APPROVED: 4/22/2003**
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