

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.

**Act 383 of the Regular Session**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

*As Engrossed: S1/31/05*

**A Bill**

SENATE BILL 19

5 By: Senator Faris  
6 *By: Representative Sullivan*  
7

**For An Act To Be Entitled**

8  
9  
10 AN ACT TO AMEND THE ARKANSAS PUBLIC EMPLOYEES'  
11 RETIREMENT SYSTEM LAWS TO PROVIDE THAT IF THE  
12 NAMED BENEFICIARY OF CERTAIN ANNUITY OPTIONS  
13 PREDECEASES THE RETIRANT, THE ORIGINAL UNREDUCED  
14 BENEFITS WILL BE PAID TO THE RETIRANT; AND FOR  
15 OTHER PURPOSES.  
16

**Subtitle**

17  
18 TO PROVIDE THAT IF THE NAMED BENEFICIARY  
19 OF CERTAIN ANNUITY OPTIONS UNDER APERS  
20 PREDECEASES THE RETIRANT, THE ORIGINAL  
21 UNREDUCED BENEFITS WILL BE PAID TO THE  
22 RETIRANT.  
23

24  
25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 24-4-606(a), concerning annuity options, is  
28 amended to read as follows:

29 (a) Before the date the first payment of a member's annuity becomes  
30 due, but not thereafter, a member may elect to receive his or her annuity as  
31 a straight life annuity or may elect to have his or her annuity reduced and  
32 nominate a beneficiary in accordance with the provisions of one (1) of the  
33 following options:

34 (1) Option A60 - 60 Months Certain and Life Annuity.

35 (A) Under Option A60, the retirant shall be paid a reduced



1 annuity for life with the provision that if the retirant's death occurs  
2 before sixty (60) monthly payments have been made, the full reduced annuity  
3 shall continue to be paid for the remainder of the sixty (60) months to such  
4 persons and in such shares as the retirant shall have designated in writing  
5 and filed with the plan. If there is no payee surviving, the lump sum  
6 actuarial equivalent of the remaining monthly payments shall be paid to the  
7 estate of the last survivor among the retirant and the designated persons.

8 (B) The reduced annuity shall be ninety-eight percent  
9 (98%) of the straight life annuity;

10 (2) Option A120 - 120 Months Certain and Life Annuity.

11 (A) Under Option A120, the retirant shall be paid a  
12 reduced annuity for life with the provision that if the retirant's death  
13 occurs before one hundred twenty (120) monthly payments have been made, the  
14 full reduced annuity shall continue to be paid for the remainder of the one  
15 hundred twenty (120) months to such persons and in such shares as the  
16 retirant shall have designated in writing and filed with the plan. If there  
17 is no payee surviving, the lump sum actuarial equivalent of the remaining  
18 monthly payments shall be paid to the estate of the last survivor among the  
19 retirant and the designated persons.

20 (B) The reduced annuity shall be ninety-four percent (94%)  
21 of the straight life annuity;

22 (3) Option B50 - 50 Percent Survivor Beneficiary Annuity.

23 (A) Under Option B50, the retirant shall be paid a reduced  
24 annuity for life with the provision that upon the retirant's death one-half  
25 (1/2) of the reduced annuity shall be continued throughout the future  
26 lifetime of and paid to such person as the retirant shall have designated in  
27 writing and filed with the plan before his or her annuity's starting date.  
28 However, the person must be either his or her spouse for not less than one  
29 (1) year immediately preceding the first payment due date or another person  
30 aged forty (40) or older receiving more than one-half (1/2) support from the  
31 retirant for not less than one (1) year immediately preceding the first  
32 payment due date.

33 (B) The reduced annuity to the retirant shall be eighty-  
34 eight percent (88%) if the retirant's age and his or her beneficiary's age  
35 are the same on the first payment due date, which shall be decreased by one-  
36 half percent (0.5%), for each year that the beneficiary's age is less than

1 the retirant's age, or which shall be increased by one-half percent (0.5%),  
2 up to a maximum of ninety-five percent (95%), for each year that the  
3 beneficiary's age is more than the retirant's age+ .

4 (C) However, if the named beneficiary of the B50 option  
5 predeceases the retirant, the original unreduced benefit shall be paid to the  
6 retirant prospectively;

7 (4) Option B75 - 75 Percent Survivor Beneficiary Annuity.

8 (A) Under Option B75, the retirant shall be paid a reduced  
9 annuity for life with the provision that, upon his or her death, three-  
10 fourths (3/4) of the reduced annuity shall be continued throughout the future  
11 lifetime of, and paid to, such person as the retirant shall have designated  
12 in writing and filed with the plan before his or her annuity's starting date.  
13 However, the person must be either the retirant's spouse for not less than  
14 one (1) year immediately preceding the first payment due date or another  
15 person aged forty (40) or older receiving more than one-half (1/2) support  
16 from the retirant for not less than one (1) year immediately preceding the  
17 first payment due date.

18 (B) The reduced annuity to the retirant shall be eighty-  
19 three percent (83%) if the retirant's age and his or her beneficiary's age  
20 are the same on the first due date, which shall be decreased by seven-tenths  
21 of one percent (0.7%) for each year that the beneficiary's age is less than  
22 the retirant's age or which shall be increased by seven-tenths of one percent  
23 (0.7%) up to a maximum of ninety percent (90%) for each year that the  
24 beneficiary's age is more than the retirant's age.

25 (C) However, if the named beneficiary of the B75 option  
26 predeceases the retirant, the original unreduced benefit shall be paid to the  
27 retirant prospectively.

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29 SECTION. EMERGENCY CLAUSE. It is found and determined by the General  
30 Assembly of the State of Arkansas that for the effective administration of  
31 this act and to avoid undue harm to the members and benefit recipients of the  
32 Arkansas Public Employees' Retirement System that this act should become  
33 effective on July 1, 2005. Therefore, an emergency is declared to exist and  
34 this act being necessary for the preservation of the public peace, health,  
35 and safety shall become effective on July 1, 2005.

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*/s/ Faris*

*APPROVED: 2/24/2005*