

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: H2/18/97 H3/10/97

A Bill

ACT 1089 OF 1997
HOUSE BILL 1701

5 By: Representative Critcher
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 24-5-116 TO PROVIDE THAT
10 THE STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM SHALL
11 PURCHASE LIFE INSURANCE COVERAGE FOR ITS MEMBERS; TO
12 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

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Subtitle

15 "TO PROVIDE THAT THE STATE HIGHWAY
16 EMPLOYEES' RETIREMENT SYSTEM SHALL
17 PURCHASE LIFE INSURANCE COVERAGE FOR ITS
18 MEMBERS."
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code 24-5-116 is amended to read as follows:

23 "24-5-116. Benefits - Death of member or retirant.

24 (a)(1) In the case of death of a member prior to retirement or of a
25 member's beneficiary whose benefits have been deferred or who for any other
26 reason has not withdrawn the member's contributions, the member's accumulated
27 contributions and any life insurance policy proceeds shall become payable to
28 the designated beneficiary or to the estate of the person having the deferred
29 benefits if a beneficiary has not been designated or is deceased.

30 (2) The designated beneficiary may be changed by the member or
31 member's beneficiary in the manner prescribed by the Board of Trustees of the
32 Arkansas State Highway Employees' Retirement System, but the designated
33 beneficiary shall have no legal claim on any contribution made by the state
34 with a view to the retirement of the member or member's beneficiary. A member
35 may designate different persons to be the beneficiaries for a member's
36 retirement and for his life insurance policy in the manner prescribed by the

1 Board of Trustees.

2 (b)(1) If a retired member with a straight life annuity dies before he
3 has been paid benefits equivalent to his contributions to the Arkansas State
4 Highway Employees' Retirement System, the difference between the benefits
5 received and his contributions while an active member of the system, together
6 with any other balance to his credit in the system, shall be paid to his
7 designated beneficiary.

8 (2) In the event there is no designated beneficiary, refund of
9 the unpaid balance shall be paid to his estate.

10 (3)(A) Payment of the refund shall be made in full or in
11 installments, as determined by the board.

12 (B) The benefits may be paid directly to a curator or
13 guardian, to an administrator or administratrix, or to an executor or
14 executrix authorized to receive such payments, wherever such representative
15 may be, without the appointment of a representative in this state.

16 (c) The Arkansas State Highway Employees' Retirement System shall
17 provide life insurance in the amount of fifteen thousand dollars (\$15,000) for
18 the benefit of each of its members. The insurance shall remain in force
19 during the life of each member until his or her retirement and shall be paid
20 for by the Arkansas State Highway Employees' Retirement System. The System may
21 offer a similar or lesser amount of life insurance coverage on the lives of
22 the member's spouse and his dependents with the member bearing the costs of
23 any additional coverage."

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25 SECTION 2. No benefit enhancement provided for by this act shall be
26 implemented if it would cause the publicly supported retirement systems
27 unfunded actuarial accrued liabilities to exceed a thirty (30) year
28 amortization. No benefit enhancement provided for by this act shall be
29 implemented by any publicly supported system which has unfunded actuarial
30 accrued liabilities being amortized over a period exceeding thirty (30) years
31 until the unfunded actuarial accrued liability is reduced to a level less than
32 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.

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34 SECTION 3. All provisions of this act of general and permanent nature
35 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
36 Revision Commission shall incorporate the same in the Code.

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SECTION 4. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable.

SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 6. Emergency. It is hereby found and determined by the Eighty-First General Assembly of the State of Arkansas that the State Highway Employees' Retirement System was created to benefit the employees of the Arkansas Highway Department; that, in the event of a member's death, the financial interests of the member's spouse and his dependents are often adversely affected and left in crisis; and it is immediately necessary to fill in this financial gap in the best interest of the member-employees and the State. Therefore, in the best interest of the State, an emergency is hereby declared to exist, and this act being necessary for the immediate preservation of the public peace, health, and safety, shall become effective on the date of its approval by the Governor. If the bill is neither approved or vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto.

/s/Rep. Critcher

APPROVED:4-03-97