

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 *As Engrossed: S2/20/03 S3/6/03 S3/18/03 S3/21/03*

2 84th General Assembly

A Bill

Act 1281 of 2003

3 Regular Session, 2003

SENATE BILL 108

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5 By: Senator Faris

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For An Act To Be Entitled

9 *AN ACT TO REQUIRE CERTAIN EMPLOYEES OF*
10 *MUNICIPALITIES THAT ARE PARTICIPATING EMPLOYERS*
11 *UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT*
12 *SYSTEM TO BECOME MEMBERS OF THE SYSTEM UNLESS*
13 *THEY OPT OUT; TO EXTEND THE DEFINITION OF PAID*
14 *NONUNIFORMED EMPLOYEES IN MUNICIPALITIES WITH*
15 *NONUNIFORMED EMPLOYEES' PENSION FUNDS; AND FOR*
16 *OTHER PURPOSES.*

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Subtitle

19 *TO REQUIRE CERTAIN EMPLOYEES OF CITIES*
20 *THAT PARTICIPATE UNDER THE PUBLIC*
21 *EMPLOYEES' RETIREMENT SYSTEM TO BECOME*
22 *MEMBERS UNLESS THEY OPT OUT AND TO*
23 *EXTEND THE DEFINITION OF PAID*
24 *NONUNIFORMED EMPLOYEES IN CITIES.*

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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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29 SECTION 1. Arkansas Code § 24-4-303(a) is amended to read as follows:

30 *(a)(1)(A) Any municipality may elect to become a participating public*
31 *employer and to cover its employees under the Arkansas Public Employees'*
32 *Retirement System either by a three-fifths (3/5) vote of its governing body*
33 *or by a majority vote of the qualified voters of the municipality.*

34 *(B) However, the mayor and city clerk of a first class*
35 *city who are serving in a municipality that participates in the Arkansas*
36 *Public Employees' Retirement System shall become participating employees*



1 under the system upon taking office.

2 (C)(i) If the employee elects not to continue
3 participation in the Arkansas Public Employees' Retirement System and opts to
4 participate in the local retirement plan as provided for under § 24-12-121 or
5 § 24-12-123 instead, written notice of the election shall be presented to the
6 Arkansas Public Employees' Retirement System, in a form determined acceptable
7 by the system, not later than ninety (90) calendar days after first assuming
8 office.

9 (ii) The election under subdivision (a)(1)(C)(i) of
10 this section is irrevocable.

11 (iii) Employer contributions made to the Arkansas
12 Public Employees' Retirement System on behalf of employees who elect not to
13 continue participation will be refunded to the city without interest and the
14 associated service credit in the system is forfeited.

15 (2) If a newly elected city attorney or city treasurer of a first class
16 city is otherwise be covered under a local retirement fund, then the
17 provisions of subdivisions (a)(1)(B) and (C) of this section also applies to
18 those offices.

19 ~~(2)(3)~~ The clerk or recorder of each municipality electing to
20 become a participating public employer shall certify the vote to the Board of
21 Trustees of the Arkansas Public Employees' Retirement System within ten (10)
22 days after the vote of the governing body or the canvass of the votes of the
23 electorate, as the case may be.

24 ~~(3)(4)~~ The effective date of coverage under the system shall be
25 either the first day of the calendar month next following receipt by the
26 board of the election results or the July 1 next following the receipt, as
27 determined by the vote.

28 (5)(A) If a municipal employee or a former municipal employee
29 covered by the Arkansas Public Employees' Retirement System in a municipality
30 with a city Administration of Justice fund created under § 16-10-308 that
31 exists to provide a pension fund for the position held by the employee or
32 former employee elects to establish participation in the public retirement
33 system under §§ 24-12-101 through 24-12-130, and waive any rights the
34 employee or former employee may have had, or would otherwise have, in the
35 local retirement system, then in that event the employee or former employee
36 may transfer their service credit to the Arkansas Public Employees'

1 Retirement System, and the municipality for which he is, or was serving, in
2 the capacity as a District Judge may use the funds within the city's
3 Administration of Justice fund to pay any and all contributions and interest
4 required by Arkansas Public Employees' Retirement System to transfer the
5 service credit to Arkansas Public Employees' Retirement System.

6 (B) In addition, if any employee or former employee
7 covered by the city's Administration of Justice fund has transferred service
8 credit, or transfers service credit, to Arkansas Public Employees' Retirement
9 System anytime after January 1, 2000, and if the municipality has used
10 general revenue funds to pay the contribution required to fund the transfer,
11 or if the municipality has used the city's Administration of Justice fund to
12 fund the transfer, then in that event the city's Administration of Justice
13 fund shall not be refunded or in the event general funds were used, the city
14 may reimburse the general fund from the city's Administration of Justice fund
15 for the contribution paid on behalf of the employee or former employee.

16 (C)(i) In addition to paying for the transfer of service
17 credit for the position for which the fund is created, the municipality may
18 also pay from city's Administration of Justice fund on behalf of the employee
19 or former employee for any additional transfer of service credit the employee
20 or former employee elects to make regarding time as city attorney for the
21 municipality.

22 (ii) The municipality may reimburse itself for any
23 payment from the city's Administration of Justice fund to fund the transfer
24 made from its general fund after January 1, 2000 on behalf of the employee or
25 former employee to purchase city attorney service credit in Arkansas Public
26 Employees' Retirement System.

27 (iii) In the event any payment for the service has
28 been made directly from the city's Administration of Justice fund after
29 January 1, 2000, then the municipality shall not be required to reimburse the
30 city's Administration of Justice fund for those transfers.

31 (iv) In the event a transfer from the general fund
32 is made to the city's Administration of Justice fund after payment from the
33 city's Administration of Justice fund for the service credit transfers and
34 before the effective date of this subdivision (a)(5), then the municipality
35 is entitled to reimburse the general fund from the city's Administration of
36 Justice fund for the amount of the transfers.

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SECTION 2. Arkansas Code § 24-12-101 is amended to read as follows:
24-12-101. Definitions.

As used in this act, unless the context otherwise requires, "paid nonuniformed employees" means ~~the~~:

(1) The mayor, city attorney, city treasurer, city clerk, or municipal judge of any city to which this act is applicable when the mayor, city attorney, city treasurer, city clerk, or municipal judge elects to be so included; and

(2) May include the other full time, paid nonuniformed employees of the city.

/s/ Faris

APPROVED: 4/14/2003