

**Hall of the House of Representatives**  
84th General Assembly - Regular Session, 2003  
**Amendment Form**

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**Subtitle of House Bill No. 1121**

"TO CHANGE THE ASSUMED ANNUITY OPTION FOR THE LOCAL POLICE AND FIRE  
RETIREMENT SYSTEM FROM A STRAIGHT-LIFE ANNUITY TO A SIXTY-MONTH  
CERTAIN AND LIFE ANNUITY. "

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**Amendment No. 1 to House Bill No. 1121.**

Amend House Bill No. 1121 as originally introduced:

Page 1, delete lines 10 through 14, substitute the following:

"AN ACT TO CHANGE THE ASSUMED ANNUITY OPTION FROM A STRAIGHT-LIFE TO A SIXTY-MONTH CERTAIN ANNUITY AND TO CHANGE THE REDUCTION PERCENTAGES FOR THE AVAILABLE ANNUITY OPTIONS FOR THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

AND

Page 1, delete lines 17 through 20, substitute the following:

"TO CHANGE THE ASSUMED ANNUITY OPTION FROM A STRAIGHT-LIFE TO A SIXTY-MONTH CERTAIN ANNUITY AND TO CHANGE THE REDUCTION PERCENTAGES FOR THE ANNUITY OPTIONS UNDER THE LOCAL POLICE AND FIRE RETIREMENT SYSTEM."

AND

Page 1, delete line 25, and substitute the following:

"SECTION 1. Arkansas Code § 24-10-603(a)(1)(B), concerning the annuity options for the Arkansas Local Police and Fire Retirement System, is amended to read as follows:

(B) The reduced annuity shall be ninety-six percent (96%) of the life annuity if the first payment due date is before July 1, 2001, or ninety-seven percent (97%) of the life annuity if the first payment due date is on or after July 1, 2001, or one hundred percent (100%) of the life annuity if the first payment due date is on or after July 1, 2003.

SECTION 2. Arkansas Code § 24-10-603(a)(2)(B), concerning the annuity options for the Arkansas Local Police and Fire Retirement System, is amended to read as follows:

(B) The reduced annuity shall be ninety percent (90%) of the life annuity if the first payment due date is before July 1, 2001, or



ninety-five percent (95%) of the life annuity if the first payment due date is on or after July 1, 2001, or ninety-eight percent (98%) of the life annuity if the first payment due date is on or after July 1, 2003.

SECTION 3. Arkansas Code § 24-10-603(a)(3), concerning the annuity options for the Arkansas Local Police and Fire Retirement System, is amended to read as follows:

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

(A)(i) Under Option B50, the retirant shall be paid a reduced annuity for life with the provision that upon the retirant's death, one-half (1/2) of the reduced annuity shall be continued throughout the future lifetime of and paid to such person as the retirant shall have designated in writing and filed with the board before his or her annuity starting date.

(ii) However, the person must be either the retirant's spouse for not less than one (1) year immediately preceding the first payment due date, ~~or~~ another person aged forty (40) or older receiving more than one-half (1/2) support from the retirant for not less than one (1) year immediately preceding the first payment due date, or a dependent child as defined under § 24-10-102(11)(B)(ii).

(B) If the first payment due date is before July 1, 2001, the reduced annuity to the retirant shall be eighty-five percent (85%) if the retirant's age and his or her beneficiary's age are the same on the first payment due date, which shall be decreased by one-half of one percent (0.5%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by one-half of one percent (0.5%) up to a maximum of ninety-five percent (95%) for each year that the beneficiary's age is more than the retirant's age.

(C) If the first payment due date is on or after July 1, 2001, the reduced annuity to the retirant shall be ninety-one percent (91%) if the retirant's age and his or her beneficiary's age are the same on the first payment due date, which shall be decreased by one-half of one percent (0.5%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by one-half of one percent (0.5%) up to a maximum of ninety-five percent (95%) for each year that the beneficiary's age is more than the retirant's age.

(D) If the first payment due date is on or after July 1, 2003, the reduced annuity to the retirant shall be ninety-four percent (94%) if the retirant's age and the retirant's beneficiary's age are the same on the first payment due date, which shall be decreased by five-tenths of one percent (0.5%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by five-tenths of one percent (0.5%) up to a maximum of ninety-eight percent (98%) for each year that the beneficiary's age is more than the retirant's age.

SECTION 4. Arkansas Code § 24-10-603(a)(4), concerning the annuity options for the Arkansas Local Police and Fire Retirement System, is amended to read as follows:

(4) Option B75 - Seventy-Five Percent (75%) Survivor Beneficiary Annuity.

(A)(i) Under Option B75, the retirant shall be paid a reduced annuity for life with the provision that upon the retirant's death, three-quarters (3/4) of the reduced annuity shall be continued throughout the future lifetime of and paid to such person as the retirant shall have designated in writing and filed with the board before the retirant's annuity starting date.

(ii) However, the person must be either the retirant's spouse for not less than one (1) year immediately preceding the first payment due date or another person aged forty (40) or older receiving more than one-half (1/2) support from the retirant for not less than one (1) year immediately preceding the first payment due date, or a dependent child as defined under § 24-10-102(11)(B)(ii).

(B) If the first payment due date is before July 1, 2001, the reduced annuity to the retirant shall be eighty percent (80%) if the retirant's age and his or her beneficiary's age are the same on the first due date, which shall be decreased by three-quarters of one percent (0.75%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by three-quarters of one percent (0.75%) up to a maximum of ninety percent (90%) for each year that the beneficiary's age is more than the retirant's age.

(C) If the first payment due date is on or after July 1, 2001, the reduced annuity to the retirant shall be eighty-six percent (86%) if the retirant's age and his or her beneficiary's age are the same on the first payment due date, which shall be decreased by three-quarters of one percent (0.75%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by three-quarters of one percent (0.75%) up to a maximum of ninety percent (90%) for each year that the beneficiary's age is more than the retirant's age.

(D) If the first payment due date is on or after July 1, 2003, the reduced annuity to the retirant shall be eighty-nine percent (89%) if the retirant's age and the retirant's beneficiary's age are the same on the first payment due date, which shall be decreased by seventy-five hundredths of one percent (0.75%) for each year that the beneficiary's age is less than the retirant's age or which shall be increased by seventy-five hundredths of one percent (0.75%) up to a maximum of ninety-four percent (94%) for each year that the beneficiary's age is more than the retirant's age.

SECTION 5. Arkansas Code § 24-10-603(c), concerning the annuity"

AND

Page 1, line 32, add an additional section to read as follows:

"SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that long term members of the Arkansas Local Police and Fire Retirement System are entitled to the maximum benefits under the system; that increases in annuity options will provide an added level of benefit for vital public safety employees covered under the system; that implementing the benefit option will be administratively most-efficient on July 1, 2003; and that because of this economy of scale and efficiency consideration for the retirement system this act should take effect on July 1, 2003. Therefore, an emergency is declared to exist and this

act being necessary for the preservation of the public peace, health and safety shall become effective on July 1, 2003.”

The Amendment was read \_\_\_\_\_

By: Representative R. Smith

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Chief Clerk