

Hall of the House of Representatives
89th General Assembly - Regular Session, 2013
Amendment Form

Subtitle of House Bill No. 1228

CONCERNING THE PURCHASE OF REFUNDED SERVICE FROM THE ARKANSAS STATE HIGHWAY
EMPLOYEES' RETIREMENT SYSTEM.

Amendment No. 1 to House Bill No. 1228

Amend House Bill No. 1228 as originally introduced:

Delete all language after the enacting clause and substitute:

"SECTION 1. Arkansas Code § 24-5-101(2) is repealed.

~~(2) "Actuarial equivalent" means a benefit of equal reserve value when reserve is the present value of all payment to be made on account of any benefit based upon such reasonable rate of interest and table of experience as a plan shall adopt from time to time;~~

SECTION 2. Arkansas Code § 24-5-117(c) is repealed.

~~(c) The payment of the cost of the refunded service shall be based on an actuarial equivalent as prescribed by the board if a member:~~

- ~~(1) Is reemployed by a state employer;~~
- ~~(2) Has received a refund from the Arkansas State Highway Employees' Retirement System; and~~
- ~~(3) Seeks to reinstate time withdrawn.~~

SECTION 3. Arkansas Code Title 24, Chapter 5, Subchapter 1 is amended to add a new section to read as follows:

24-5-138. Credit for prior service with public employer.

(a) An employee of the Arkansas State Highway and Transportation Department who became a member of the Arkansas State Highway Employees' Retirement System on or before July 1, 1967, upon application and submission of proper proof to the Board of Trustees of the Arkansas State Highway Employees' Retirement System, shall receive prior service credit for any service rendered to a public employer, as defined in § 24-4-101, prior to July 1, 1967.

(b) Before a member or employee is credited with such prior service, the member or employee shall pay into the system an amount equal to that which the member would have paid if the service to be credited had been performed for the department, together with such interest as the board prescribes.

(c) It is the purpose of § 24-5-110 and this section to protect



employees and to provide that employees will not lose their status or retirement benefits by changing employment from one (1) state department to another state department and that employment by the Arkansas State Highway and Transportation Department and other departments shall be cumulative in calculating retirement benefits.

SECTION 4. Arkansas Code § 24-5-101, concerning definitions under the Arkansas State Highway Employees' Retirement System, is amended to add an additional subsection to read as follows:

(16) "Actuarial equivalent" means a benefit of equal reserve value when reserve is the present value of all payment to be made on account of any benefit based upon such reasonable rate of interest and table of experience as a plan shall adopt from time to time;

SECTION 5. Arkansas Code § 24-5-117, concerning benefits and withdrawal from service under the Arkansas State Highway Employees' Retirement System, is amended to add an additional subsection to read as follows:

(c) The payment of the cost of the refunded service shall be based on an actuarial equivalent as prescribed by the board if a member:

- (1) Is reemployed by a state employer;
- (2) Has received a refund from the Arkansas State Highway Employees' Retirement System; and
- (3) Seeks to reinstate time withdrawn.

SECTION 6. Arkansas Code § 24-5-138 is repealed.

24-5-138. Credit for prior service with public employer.

~~(a) An employee of the Arkansas State Highway and Transportation Department who became a member of the Arkansas State Highway Employees' Retirement System on or before July 1, 1967, upon application and submission of proper proof to the Board of Trustees of the Arkansas State Highway Employees' Retirement System, shall receive prior service credit for any service rendered to a public employer, as defined in § 24-4-101, prior to July 1, 1967.~~

~~(b) Before a member or employee is credited with such prior service, the member or employee shall pay into the system an amount equal to that which the member would have paid if the service to be credited had been performed for the department, together with such interest as the board prescribes.~~

~~(c) It is the purpose of § 24-5-110 and this section to protect employees and to provide that employees will not lose their status or retirement benefits by changing employment from one (1) state department to another state department and that employment by the Arkansas State Highway and Transportation Department and other departments shall be cumulative in calculating retirement benefits.~~

SECTION 7. EFFECTIVE DATE. Sections 1 through 3 of this act are effective on and after July 1, 2013.

SECTION 8. EFFECTIVE DATE. Sections 4 through 6 of this act are effective on and after September 1, 2013.

SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas State Highway Employees' Retirement System law are in urgent need of revision to bring them into conformance with sound public pension policy; that this revision is of great importance to members of the Arkansas State Highway Employees' Retirement System and to other citizens of the State of Arkansas; that a member's purchase of service credit needs to be amended for a short time to permit equitable application of new law; and that at the expiration of this time the law should be reenacted; that such action is necessary to provide a fair opportunity for affected members to take appropriate actions in their best interest; and that this act is necessary to maintain an orderly system of benefits for the members of the Arkansas State Highway Employees' Retirement System. 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, 2013."

The Amendment was read _____
By: Representative Branscum
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Chief Clerk