

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative B. Wood**

A Bill

HOUSE BILL 1061

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 24, CHAPTER 4, SUBCHAPTER 5 OF THE
9 ARKANSAS CODE OF 1987, TO PROVIDE SERVICE CREDIT TO
10 EMPLOYEES WHO WORK LESS THAN FULL TIME; AND FOR OTHER
11 PURPOSES."

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

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15 SECTION 1. Arkansas Code §24-4-507(a) is hereby amended to read as
16 follows:

17 "(a) (1) The board shall determine, by appropriate rules and regulations
18 consistent with the provisions of this act, the amount of service to be
19 credited any member for any fiscal year.

20 (2) (A) For periods of time prior to July 1, 1991, in no case
21 shall less than ten (10) days of service rendered by a member in any calendar
22 month be credited as a month of service; nor shall less than eleven (11)
23 months of service rendered by a member in any fiscal year be credited as a
24 year of service unless the member is *employed* by the state blind and deaf
25 schools, the state colleges and universities, and the public schools of the
26 state *in which case nine (9) months would constitute a year of credited*
27 *service.*

28 (B) For periods of time prior to July 1, 1991, in no case
29 can less than nine (9) months of service rendered in any fiscal year be
30 credited as a full year of service.

31 (3) (A) Beginning July 1, 1992, and thereafter, service rendered
32 by a member in any calendar month shall be credited as service based upon the
33 member's number of hours of service in such month and in accordance with the
34 following schedule:

35 80 or more hours of service one month

1 60 hours up to less than 80 hours three-fourths month
2 40 hours up to less than 60 hours one-half month
3 20 hours up to less than 40 hours one-quarter month
4 less than 20 hours no credit

5 (B) Beginning July 1, 1991, in no case shall less than
6 eleven (11) months of service rendered by a member in any fiscal year be
7 credited as a full year of service, except that such minimum *shall* be lowered
8 to nine (9) months for a member whose covered employment is employment with
9 the state blind and deaf schools, the state colleges and universities, and the
10 public schools.

11 (4) Prior service credits shall not be granted to any member who
12 did not become a member of the system on the date his public employer became a
13 participating public employer, nor shall current service credit be granted any
14 member for any period of time not covered by accumulated contributions
15 standing to his credit in the members deposit account, except as otherwise
16 provided in this act."

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18 SECTION 2. Arkansas Code §24-4-101(7)(A) is hereby amended to read as
19 follows:

20 "(7)(A) 'Employees' means all officers and employees of any office,
21 agency, board, commission, or department of a public employer whose
22 compensations were, or are, payable from funds appropriated by the public
23 employer and all otherwise eligible employees whose compensations were, or
24 are, payable in whole or part from federal funds, as well as the official
25 court reporters and stenographers of the circuit and chancery courts of the
26 state and all of the prosecuting attorneys of the judicial districts of
27 Arkansas. In addition, the term 'employees' shall, effective July 1, 1983,
28 include those persons who are eligible for benefits from the Teachers
29 Insurance and Annuity Association (TIAA) but who are otherwise eligible for
30 participation in the system due to employment with a public employer; however,
31 the term 'employees' shall not include those persons who are receiving or who
32 begin receiving TIAA benefits while still participating in the system;

33 Any person who has heretofore been denied coverage under the system due
34 to the fact that the person was eligible for benefits from a local firemen's
35 or policemen's pension fund or TIAA shall, from the dates of February 11,

1 1976, and July 1, 1983, respectively become a member of the system if in an
2 otherwise eligible position due to his employment with a public employer and
3 may, at the employee's option, receive credit for service rendered to a
4 participating public employer before that date, subject to the following
5 conditions:

6 (i) The person is a participating employee covered under the
7 system at the time of the purchase; or, if not participating in the system,
8 the person shall be eligible to purchase the service if the person was in an
9 otherwise eligible position on July 1, 1982, and all contributions and
10 interest were received by the system before January 1, 1984; and

11 (ii) The member pays, or causes to be paid, all employer or
12 employee contributions at the rate and based on the compensation received by
13 the persons during the period of time when the service was rendered, together
14 with interest of six percent (6%) per annum, compounded annually from the date
15 the service was rendered to the date payment is received by the system. The
16 member may purchase all of the service or any portion thereof in multiples of
17 one (1) year;

18 (iii) The payment of funds shall be made in one (1) lump sum;

19 Any person who has heretofore been denied coverage under the system due
20 to the fact that the person was or is paid from a grant instead of funds
21 appropriated by the public employer, shall from July 1, 1991 become a member
22 of the system if in an otherwise eligible position due to his being an
23 employee of a public employer, and a member may at his option receive credit
24 for service rendered before that date as an employee paid from a grant,
25 subject to the following conditions:

26 (i) The member is a participating employee covered under the
27 system at the time of the purchase; and

28 (ii) The member furnishes proof, in a form required by the
29 system, of the service and compensation received; and

30 (iii) The member pays, or causes to be paid, all employee and
31 employer contributions at the rate and based on the compensation received by
32 the member during the period of time when the service was rendered, together
33 with interest of six percent (6%) per annum, compounded annually from the date
34 the service was rendered to the date payment is received by the system. The
35 member may purchase all of the service or any portion thereof in multiples of

1 one (1) year; and

2 (iv) *The payment of funds shall be made in one (1) lump sum.*"

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4 SECTION 3. All provisions of this act of a general and permanent nature
5 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
6 Revision Commission shall incorporate the same in the Code.

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

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

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17 SECTION 6. EMERGENCY. *It is hereby found and determined by the Seventy-*
18 *Eighth General Assembly that the effectiveness of this act on July 1, 1991 is*
19 *essential to the operation of the state agencies and the Arkansas Public*
20 *Employees' Retirement System; that in the event of an extension of the Regular*
21 *Session, the delay in the effective date of this act beyond July 1, 1991 could*
22 *work irreparable harm upon the proper administration and provision of*
23 *essential governmental programs. Therefore, an emergency is hereby declared to*
24 *exist and this act being necessary for the immediate preservation of the*
25 *public peace, health and safety shall be in full force and effect from and*
26 *after July 1, 1991.*

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28 /s/B. Wood

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