

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  
2 84th General Assembly  
3 Regular Session, 2003  
4

As Engrossed: H3/21/03

# A Bill

HOUSE BILL 1123

5 By: Representative R. Smith  
6 By: Senators *J. Bookout, J. Jeffress, Faris*  
7

## For An Act To Be Entitled

10  
11 *AN ACT TO MAKE CERTAIN TECHNICAL CORRECTIONS*  
12 *TO THE REQUIREMENTS TO RECEIVE ANNUITIES UNDER*  
13 *THE LOCAL POLICE AND FIRE RETIREMENT SYSTEM, AND*  
14 *FOR OTHER PURPOSES.*

### Subtitle

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17 *TO MAKE CERTAIN TECHNICAL CORRECTIONS*  
18 *TO THE REQUIREMENTS TO RECEIVE ANNUITIES*  
19 *UNDER THE LOCAL POLICE AND FIRE*  
20 *RETIREMENT SYSTEM.*

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23  
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 *SECTION 1. Arkansas Code § 24-10-501(c), concerning paid and volunteer*  
27 *service under the Arkansas Local Police and Fire Retirement System, is*  
28 *amended to read as follows:*

29 *(c)(1) ~~No~~ Except for an employer covering volunteer service for*  
30 *future employment credit under subdivision (c)(3) of this section, not later*  
31 *than one (1) year from and after the date an employer covers its employees*  
32 *and before the retirement of a member included in the employees so covered,*  
33 *the employer shall certify to the board the periods of prior employment of*  
34 *each of its members to be considered for credit as paid service and for*  
35 *credit as volunteer service.*

36 *(2) No prior employment shall be so certified by an employer for*



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1 any member unless he or she was employed by the employer within the one-year  
2 period immediately preceding the date an employer covers its employees and  
3 unless he or she is continuously employed by the employer:

4 (A) From and after that date for one (1) year;

5 (B) Until his or her death; or

6 (C) Until his or her total and permanent disability,  
7 whichever is earliest.

8 (3)(A) Beginning January 1, 2004, at the option of an employer  
9 covering volunteer service only, the employer may cover its employees under  
10 the system with service credit from the effective date of the coverage  
11 forward into the future with service credit from and after the effective date  
12 of coverage.

13 (B) An employee of an employer choosing coverage  
14 under this subdivision (c)(3) shall receive credited service for employment  
15 rendered from and after the effective date of coverage, and shall receive no  
16 service credit for periods of prior employment or prior volunteer service.

17 (C) An employer choosing coverage under this  
18 subdivision (c)(3) is not responsible for contributions to pay for periods of  
19 a member's prior employment or prior volunteer service.

20 (D) An employer may choose to include an equal  
21 proportion of each employee's prior service in a portion that is twenty-five  
22 percent (25%), fifty percent (50%), or seventy-five percent (75%) of the  
23 prior service.

24 (E) If an employer elects to include a portion of  
25 prior service, then the employer shall be responsible to pay for that  
26 portion.

27 (F) Each employee shall receive the same percentage  
28 of service prior to coverage as credited service.

29  
30 SECTION 2. Arkansas Code § 24-10-602(a)(4), concerning the annuity  
31 generally under the Arkansas Local Police and Fire Retirement System, is  
32 amended to read as follows:

33 (4)(A) The total benefit amount computed under subdivision  
34 (a)(1) of this section shall not exceed at the time of retirement eighty  
35 percent (80%) of the final average pay plus the amounts provided in  
36 subdivision (a)(5) of this section for volunteer service;

1           (B) If the member accrued a benefit at any time under Benefit Program  
 2 #2 described in subdivision (a)(2) of this section, then In no event shall  
 3 the total of the amounts computed pursuant to subdivision (a)(1) and (2) of  
 4 this section shall not exceed at the time of retirement ~~eighty percent (80%)~~  
 5 eighty-five percent (85%) of the final average pay plus the amounts provided  
 6 in subdivision (a)(5) of this section for volunteer service;

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 8           SECTION 3. Arkansas Code § 24-10-607(a), concerning disability  
 9 benefits under the Arkansas Local Police and Fire Retirement System, is  
 10 amended to read as follows:.

11           (a)(1)(A) Any active member with five (5) years of credited service,  
 12 including credited service for seventy-five percent (75%) of the two (2)  
 13 years immediately preceding his or her disability, who becomes totally and  
 14 permanently physically or mentally incapacitated for any suitable duty as an  
 15 employee as a result of a personal injury or disease may be retired by the  
 16 Board of Trustees of the Arkansas Local Police and Fire Retirement System  
 17 upon written application filed with the board by or on behalf of the member.

18           (B) The employee shall be retired only if, after a medical  
 19 examination of the member made by or under the direction of a physician or  
 20 physicians designated by the board, the physician reports to the plan in  
 21 writing that the member is physically or mentally totally incapacitated for  
 22 the further performance of any suitable duty, that the incapacity will  
 23 probably be permanent, and that the member should be retired.

24           (2) A written application to the board by the member or on  
 25 behalf of the member shall be filed with the board not later than one (1)  
 26 year after the termination of active membership.

27           ~~(2)(3)~~ (3) The disability annuity shall be effective the first day  
 28 of the calendar month next following the later of:

29           (A) His or her termination of active membership; or

30           (B) Six (6) months before the date the written application  
 31 is filed with the board.

32  
 33           SECTION 4. Arkansas Code § 24-10-607(c), concerning disability  
 34 benefits under the Arkansas Local Police and Fire Retirement System, is  
 35 amended to read as follows:

36           (c)(1)(A) Any active member who becomes totally and permanently

1 physically or mentally incapacitated for any suitable duty as an employee as  
2 the result of a personal injury or disease which the board finds to have  
3 arisen out of, and in the course of, his or her actual performance of duty as  
4 an employee may be retired by the board upon written application filed with  
5 the board by or on behalf of the member.

6 (B) The employee shall be retired only if, after a medical  
7 examination of the member made by or under the direction of a physician or  
8 physicians designated by the board, the physician reports to the plan in  
9 writing that the member is physically or mentally totally incapacitated for  
10 the further performance of any suitable duty, that the incapacity will  
11 probably be permanent, and that the member should be retired.

12 (2) A written application to the board by the member or on  
13 behalf of the member shall be filed with the board not later than one (1)  
14 year after the termination of active membership.

15 ~~(2)~~(3) The disability annuity shall be effective the first day  
16 of the calendar month next following the later of:

17 (A) His or her termination of active membership; or

18 (B) Six (6) months before the date the written application  
19 is filed with the board.

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/s/ R. Smith