

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

A Bill

HOUSE BILL 1126

5 By: Representative R. Smith
6 By: Senator J. Jeffress
7

For An Act To Be Entitled

10 AN ACT TO CHANGE THE METHOD OF REDETERMINING
11 BENEFITS ANNUALLY FOR THE ARKANSAS LOCAL POLICE
12 AND FIRE RETIREMENT SYSTEM BY INCREASING THE
13 ANNUAL BENEFIT ON THE PRECEDING JULY 1 BY THREE
14 PERCENT (3%) PER YEAR; AND FOR OTHER PURPOSES.

Subtitle

16 TO CHANGE THE METHOD OF REDETERMINING
17 BENEFITS ANNUALLY FOR THE LOCAL POLICE
18 AND FIRE RETIREMENT SYSTEM BY
19 COMPOUNDING THE ANNUAL BENEFIT BY THREE
20 PERCENT (3%) PER YEAR.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-10-612 is amended to read as follows:

27 24-10-612. Redetermination of benefits.

28 (a) Beginning with the July 1 which is at least twelve (12) full
29 months after the effective date of a monthly benefit, the amount of the
30 benefit shall be redetermined effective each July 1, and the redetermined
31 amount shall be payable for the ensuing year.

32 (b) The redetermined amount shall be the amount of the benefit
33 ~~otherwise payable multiplied by the following percent: one hundred percent~~
34 ~~(100%), plus three percent (3%) for each full year, but excluding any~~
35 ~~fraction of a year, in the period from the effective date of the benefit to~~
36 ~~the current July 1~~ as of the immediately preceding July 1 increased by three



1 percent (3%).

2 ~~(c) For purposes of this section, "the amount of the benefit otherwise~~
3 ~~payable" means the monthly amount of benefit which would be payable~~
4 ~~disregarding the provisions redetermining benefit amounts after retirement.~~

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6 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that benefits for the Arkansas
8 Local Police and Fire Retirement System are redetermined on July 1 of each
9 year; that delaying the effective date of this act will result in a one-year
10 loss of benefit increases that compounding will give to the members; that
11 this one-year loss of increased benefits will impair the financial well being
12 of members; and this act must take effect on the next July 1. Therefore, an
13 emergency is declared to exist and this act being necessary for the
14 preservation of the public peace, health and safety shall become effective on
15 July 1, 2003.

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