

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 1196

5 By: Representative R. Smith
6 By: Senator J. Jeffress
7
8

For An Act To Be Entitled

10 AN ACT TO ESTABLISH A DEFERRED RETIREMENT OPTION
11 PLAN FOR THE ARKANSAS LOCAL POLICE AND FIRE
12 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO ESTABLISH THE LOCAL POLICE AND FIRE
15 DEFERRED RETIREMENT OPTION PLAN.
16
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18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code Title 24, Chapter 10, is amended to add an
22 additional subchapter to read as follows:

23 Subchapter 7. Local Police and Fire Deferred Retirement Option Plan.
24 24-10-701. Election to participate.

25 (a) In lieu of terminating employment and accepting a paid service
26 retirement benefit, a police officer or fire fighter who is a member in paid
27 service with the Arkansas Local Police and Fire Retirement System, who has
28 not less than twenty-eight (28) years of credited service, and who is
29 eligible to receive a paid service retirement benefit may elect to
30 participate in the Local Police and Fire Deferred Retirement Option Plan and
31 defer the receipt of benefits in accordance with the provisions of this
32 subchapter.

33 (b) The Board of Trustees of the Arkansas Local Police and Fire
34 Retirement System shall approve the participation in the plan.
35

36 24-10-702. Credited service.



1 For purposes of this subchapter, credited service:

2 (1) Includes military service credit under § 24-10-502; and

3 (2) Shall not include service credit that is volunteer service or
4 other credited service that is purchased under the system.

5
6 24-10-703. Contributions.

7 (a) If a member begins participation in the Local Police and Fire
8 Deferred Retirement Option Plan, the employer contributions shall continue to
9 be paid.

10 (b) Employer contributions for employees who participate in the plan
11 shall be credited to the Arkansas Local Police and Fire Retirement System.

12 (c) The monthly retirement benefits that would have been payable had
13 the member elected to cease employment and receive a service retirement shall
14 be paid into the members' plan account.

15
16 24-10-704. Benefits - Rate of return.

17 (a) The member's monthly retirement benefit shall not change unless
18 the Local Police and Fire Deferred Retirement Option Plan receives a benefit
19 increase.

20 (b)(1) A member who participates in this plan shall earn interest at a
21 rate of two (2) percentage points less than the actuarially certified real
22 rate of return of the investment portfolio of the Arkansas Local Police and
23 Fire Retirement System, but no less than the actuarially assumed interest
24 rate as certified by the actuary.

25 (2) The interest shall be credited to the individual account
26 balance of the member on an annual basis.

27
28 24-10-705. Method of payment.

29 At the option of the participant, the participant in the Local Police
30 and Fire Deferred Retirement Option Plan shall receive:

31 (1) A lump-sum payment from the account equal to the payments into the
32 plan account;

33 (2) A true annuity based upon the account of the participant;

34 (3) Another method of payment if another method is approved by the
35 board of trustees of the Arkansas Local Police and Fire Retirement System.

36

1 24-10-706. Duration.

2 (a) The duration of participation in the Local Police and Fire
 3 Deferred Retirement Option Plan for active paid service police officers and
 4 fire fighters shall not exceed five (5) years.

5 (b) At the conclusion of a member's participation in the plan, the
 6 member shall terminate employment with the employer and shall start receiving
 7 the member's accrued monthly retirement benefit from the Arkansas Local
 8 Police and Fire Retirement System.

9
 10 24-10-707. Death of participant.

11 If the participant dies during the period of participation in the Local
 12 Police and Fire Deferred Retirement Option Plan, a lump sum payment equal to
 13 the account balance of the participant shall be paid to the participant's
 14 survivors or, if none, to the participant's estate.

15
 16 24-10-708. Partial-annuity and lump-sum option.

17 (a) If a member does not terminate employment and retire on the date
 18 the member meets the service requirements of § 24-10-604 for an unreduced
 19 annuity and has not elected to participate in the Local Police and Fire
 20 Deferred Retirement Option Plan as provided in this subchapter, the member
 21 may elect at the time of retirement to participate in the partial-annuity and
 22 lump-sum option under this section.

23 (b)(1)(A) A member electing to participate shall be eligible to
 24 receive, at the time of retirement, a lump sum distribution in an amount not
 25 exceeding one (1) month of benefit for each completed month of service beyond
 26 eligibility for an unreduced benefit.

27 (B) The lump sum shall not exceed an amount equal to sixty
 28 (60) months of benefits.

29 (2) The member electing to participate in the partial-annuity
 30 and lump-sum option shall then have the member's annuity reduced by an amount
 31 that is an actuarially determined equivalent of the withdrawal amount.

32 (d) The Board of Trustees of the Arkansas Local Police and Fire
 33 Retirement System shall adopt rules and regulations under this section
 34 governing the application for the partial-annuity and lump-sum option and the
 35 determination of the actuarially equivalent amount of the withdrawal.

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