

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: H3/4/03
A Bill

HOUSE BILL 1226

5 By: Representative R. Smith
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8 **For An Act To Be Entitled**

9 AN ACT TO ALLOW THE PARTICIPANTS OF POLICE AND
10 FIRE DEFERRED RETIREMENT OPTION PLANS TO CONTINUE
11 WITH THE DEPOSIT OF FUNDS IN THE DROP PLAN AFTER
12 THE EXPIRATION OF THE PARTICIPATION PERIOD IN THE
13 DROP PLAN; AND FOR OTHER PURPOSES.
14

15 **Subtitle**

16 TO ALLOW PARTICIPANTS IN POLICE AND FIRE
17 DEFERRED RETIREMENT OPTION PLANS TO
18 CONTINUE THE DEPOSIT OF FUNDS IN THE
19 DROP PLAN.
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21

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

24 SECTION 1. Arkansas Code § 24-11-434(f), concerning the deferred
25 retirement option plan for policemen's pension and relief funds, is amended
26 to read as follows:

27 (f)(1) A participant in the plan shall receive, at the option of the
28 participant, a lump sum payment from the account equal to the payments to the
29 account or a true annuity based upon the account of the participant or may
30 elect any other method of payment if approved by the board of trustees.

31 (2) If approved by the board of trustees, a participant in the
32 deferred retirement option plan may defer receiving payment of the
33 participant's account and continue with the funds deposited in the plan.

34 (3)(A) Interest credited to the continuing deposit of funds in
35 the plan under subdivision (f)(2) of this section shall be calculated in the
36 same manner as interest under subdivision (e)(2) of this section.



1 (B) However, the minimum interest rate shall not be less
2 than zero percent (0%).

3 (4) The payment of funds accumulated while participating in the
4 deferred retirement option plan may only be deferred one (1) time. These
5 funds must be distributed or annuitized by December 31 of the year a member
6 attains age seventy and a half (70½.).

7
8 SECTION 2. Arkansas Code § 24-11-434, concerning the deferred
9 retirement option plan for policemen's pension and relief funds, is amended
10 to add an additional subsection to read as follows:

11 (j) The Arkansas Fire and Police Pension Review Board may promulgate
12 regulations to make the plan under this section comply with the requirements
13 of this section and with the applicable portions of the federal Internal
14 Revenue Code, as it existed on January 1, 2003.

15
16 SECTION 3. Arkansas Code § 24-11-830(f), concerning the deferred
17 retirement option plan for firemen's pension and relief funds, is amended to
18 read as follows:

19 (f)(1) A participant in the plan shall receive at the option of the
20 participant a lump sum payment from the account equal to the payments to the
21 account or a true annuity based upon the account of the participant or may
22 elect any other method of payment if approved by the board of trustees.

23 (2) If approved by the board of trustees, a participant in the
24 deferred retirement option plan may defer receiving payment of the
25 participant's account and continue with the funds deposited in the plan.

26 (3)(A) Interest credited to the continuing deposit of funds in
27 the plan under subdivision (f)(2) of this section shall be calculated in the
28 same manner as interest under subdivision (e)(2) of this section.

29 (B) However, the minimum interest rate shall not be less
30 than zero percent (0%).

31 (4) The payment of funds accumulated while participating in the
32 deferred retirement option plan may only be deferred one (1) time. These
33 funds must be distributed or annuitized by December 31 of the year a member
34 attains age seventy and a half (70½.).

35
36 SECTION 4. Arkansas Code § 24-11-830, concerning the deferred

1 retirement option plan for firemen's pension and relief funds, is amended to
2 add an additional subsection to read as follows:

3 (h) The Arkansas Fire and Police Pension Review Board may promulgate
4 regulations to make the plan under this section comply with the requirements
5 of this section and with the applicable portions of the federal Internal
6 Revenue Code, as it existed on January 1, 2003.

7 */s/ R. Smith*

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