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	As Engrossed: H3/25/03		
2	84th General Assembly	A Bill		
3	Regular Session, 2003	HOUSE	BILL	1228
4				
5	By: Representative R. Smith			
6	By: Senators J. Bookout, J. Jef	Gress, Faris		
7				
8				
9		For An Act To Be Entitled		
10	AN ACT TO	O PROVIDE THAT MEMBERS OF THE DEFERRED		
11	RETIREMEN	NT OPTION PLAN FOR POLICE PENSION AND		
12	RELIEF FU	UNDS MAY REMAIN EMPLOYED AT THE		
13	CONCLUSIO	ON OF THE DROP PERIOD; AND FOR OTHER		
14	PURPOSES	•		
15				
16		Subtitle		
17	TO PRO	OVIDE THAT MEMBERS OF THE DEFERRED		
18	RETIRE	EMENT OPTION PLAN FOR POLICE		
19	PENSIC	ON AND RELIEF FUNDS MAY REMAIN		
20	EMPLOY	YED AT THE CONCLUSION OF THE DROP		
21	PERIO).		
22				
23				
24	BE IT ENACTED BY THE GE	ENERAL ASSEMBLY OF THE STATE OF ARKANSAS:		
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26		asas Code § 24-11-434(c), concerning the defer		
27		for police pension and relief funds, is amend	led to	
28	read as follows:			
29		under subdivision (c)(2) of this section, at		
30		s participation in the plan, the member shall		
31	- •	th all participating municipalities as a poli		
32		receiving the member's accrued monthly retir	ement	
33	<u>-</u>	emen's pension and relief fund.		
34	<u> </u>	nember is at the conclusion of a member's part		<u>tion</u>
35		member may continue employment by a municipali	<u>ty</u>	
36	participating in the pl	lan under the following conditions:		

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1	(A) The continued employment is approved by a majority
2	vote of the governing body of the sponsoring municipality available to all
3	members after receiving approval for an increase in benefits under § 24-11-
4	<u>102;</u>
5	(B) The monthly benefit that is credited to the member's
6	plan account is ninety percent (90%) of the amount credited during the second
7	five (5) years of participation;
8	(C) The continued employment shall last until age sixty-
9	five (65) or five (5) additional years, whichever is earlier;
10	(D) The interest rate credited to the plan account is the
11	same as in the second five (5) years of participation;
12	(E) The employer contributions continue and are credited
13	to the pension and relief fund; and
14	(F) The sponsoring municipality has population of less
15	than one hundred thousand (100,000) according to the latest federal decennial
16	census.
17	
18	SECTION 2. Arkansas Code § 24-11-434(i), concerning the interest
19	penalties for the 10-year extension of the deferred retirement option plan
20	accounts for police pension and relief funds, is repealed.
21	(i) Participants in the plan subject to the extended ten-year service
22	limit shall forfeit a portion of the extended service benefits earned,
23	specifically limited to only the interest and employer contributions'
24	portions which have been credited to the plan account, under the plan beyond
25	the first five (5) years of participation should the participant terminate
26	employment during the extended service time, absent death or disability, as
27	follows:
28	(1) Forfeit eighty percent (80%) if termination occurs in the
29	sixth year of participation;
30	(2) Forfeit sixty percent (60%) if termination occurs in the
31	seventh year of participation;
32	(3) Forfeit forty percent (40%) if termination occurs in the
33	eighth year of participation; and
34	(4) Forfeit twenty percent (20%) if termination occurs in the
35	ninth year of participation.
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As Engrossed: H3/25/03 HB1228

1	SECTION 3. Arkansas Code § 24-11-830(c)(2), concerning the deferred
2	retirement option plan for fire pension and relief funds, is amended to read
3	as follows:
4	(c)(l) The duration of participation in the plan for active full-paid
5	fire fighters shall not exceed five (5) years.
6	(2)(A) At Except under subdivision (c)(2)(B) of this section, at
7	the conclusion of a member's participation in the plan, the member shall
8	terminate employment with all participating municipalities as a fire fighter
9	and shall start receiving the member's accrued monthly retirement benefit
10	from the firemen's pension and relief fund.
11	(B) If a member is at the conclusion of a member's
12	participation in the plan, then the member may continue employment by a
13	municipality participating in the plan under the following conditions:
14	(i) The continued employment is approved by a
15	majority vote of the governing body of the sponsoring municipality available
16	to all members after receiving approval for an increase in benefits under
17	<u>§ 24-11-102;</u>
18	(ii) The monthly benefit that is credited to the
19	member's plan account is seventy percent (70%) of the monthly benefits that
20	would have been payable had the member elected to cease employment and
21	receive a service retirement benefit;
22	(iii) The continued employment shall last until age
23	sixty-five (65) or five (5) additional years, whichever is earlier; and
24	(iv) The interest rate credited to the plan account
25	is the rate under subdivision (e)(2) of this section, except the minimum rate
26	is zero percent (0%).
27	/s/ R. Smith
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