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 H4/7/03				
2	84th General Assembly	A Bill				
3	Regular Session, 2003 HOUSE BILL		HOUSE BILL	1228		
4						
5	By: Representative R. Smith					
6	By: Senators J. Bookout, J. Jeffress, Faris					
7						
8						
9		For An Act To Be Entitled				
10	AN ACT	TO PROVIDE THAT MEMBERS OF THE DEFERRE	D			
11	RETIREMENT OPTION PLAN FOR POLICE PENSION AND					
12	RELIEF FUNDS MAY REMAIN EMPLOYED AT THE					
13	CONCLUS	SION OF THE DROP PERIOD; AND FOR OTHER				
14	PURPOSE	IS.				
15						
16		Subtitle				
17	TO F	PROVIDE THAT MEMBERS OF THE DEFERRED				
18	RETIREMENT OPTION PLAN FOR POLICE					
19	PENSION AND RELIEF FUNDS MAY REMAIN					
20	EMPL	LOYED AT THE CONCLUSION OF THE DROP				
21	PERI	OD.				
22						
23						
24	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKANS	SAS:			
25						
26	SECTION 1. Ark	ansas Code § 24-11-434(c), concerning t	the deferred			
27	retirement option plan for police pension and relief funds, is amended to					
28	read as follows:					
29	(c) <u>(1)</u>	pt under subdivision (c)(2) of this see	<u>ction, at</u> the			
30	conclusion of a membe	r's participation in the plan, the memb	per shall			
31	terminate employment with all participating municipalities as a police					
32	officer and shall start receiving the member's accrued monthly retirement					
33	benefit from the policemen's pension and relief fund.					
34	(2) If a member is at the conclusion of a member's					
35	participation in the plan, then the member may continue employment by a					
36	municipality under the following conditions:					



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1	(A) The municipality makes continued employment available		
2	to all similarly situated members;		
3	(B) The availability of continued employment is approved		
4	by a majority vote of the governing body of the sponsoring municipality after		
5	receiving approval for an increase in benefits under § 24-11-102;		
6	(C) The monthly benefit that is credited to the member's		
7	plan account is discontinued and the member shall not receive a monthly		
8	benefit until the member actually ceases employment;		
9	(D) The interest rate credited to the plan account is the		
10	same paid as under subdivision (e)(2) of this section, except the minimum		
11	rate is zero percent (0%);		
12	(E) The employer's matching contribution of six percent		
13	(6%) shall cease, all other employer contributions shall continue and be		
14	credited to the pension and relief fund; and		
15	(F) The employee contributions of six percent (6%) shall		
16	discontinue.		
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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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 under the following conditions:
14	(i) The municipality makes continued employment
15	available to all similarly situated members;
16	(ii) The availability of continued employment is
17	approved by a majority vote of the governing body of the sponsoring
18	municipality after receiving approval for an increase in benefits under § 24-
19	<u>11-102;</u>
20	(iii) The monthly benefit that is credited to the
21	member's plan account is discontinued and the member shall not receive a
22	monthly benefits until the member actually ceases employment;
23	(iv) The interest rate credited to the plan account
24	is the same as paid under subdivision (e)(2) of this section, except the
25	minimum rate is zero percent (0%);
26	(v) The employer's matching contribution of six
27	percent (6%) shall cease, but all other employer contributions shall continue
28	and be credited to the pension and relief fund; and
29	(vi) The employee contributions of six percent (6%)
30	shall discontinue.
31	/s/ R. Smith
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