

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

A Bill

SENATE BILL 108

4
5 By: Senator Faris
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For An Act To Be Entitled

9 AN ACT TO MAKE ALL MUNICIPALITIES PARTICIPATING
10 PUBLIC EMPLOYERS AND COVER THEIR EMPLOYEES UNDER
11 THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM,
12 UNLESS THE MUNICIPALITY OPTS OUT; AND FOR OTHER
13 PURPOSES.
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Subtitle

15 AN ACT TO MAKE ALL MUNICIPALITIES
16 PARTICIPATING PUBLIC EMPLOYERS AND COVER
17 ITS EMPLOYEES UNDER THE ARKANSAS PUBLIC
18 EMPLOYEES' RETIREMENT SYSTEM, UNLESS THE
19 MUNICIPALITY OPTS OUT.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-4-303 is amended to read as follows:

26 24-4-303. Membership - Election by municipalities - Leased water and
27 sewer utilities.

28 (a)(1) Any municipality ~~may elect to~~ shall become a participating
29 public employer and ~~to~~ cover its employees under the Arkansas Public
30 Employees' Retirement System, unless the municipality elects to not become a
31 participating public employer by either by a three-fifths (3/5) vote of its
32 governing body ~~or by a majority vote of the qualified voters of the~~
33 ~~municipality.~~

34 (2) The clerk or recorder of each municipality electing to
35 become a participating public employer shall certify the vote to the Board of
36 Trustees of the Arkansas Public Employees' Retirement System within ten (10)



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1 days after the vote of the governing body or the canvass of the votes of the
 2 electorate, as the case may be.

3 (3) The effective date of coverage under the system shall be
 4 either the first day of the calendar month next following receipt by the
 5 board of the election results or the July 1 next following the receipt, as
 6 determined by the vote.

7 ~~(b)(1) Any municipality which has, as of March 28, 1981, taken its~~
 8 ~~first vote to withdraw from participation shall be eligible to withdraw under~~
 9 ~~the provisions of this section if the final vote to withdraw is certified to~~
 10 ~~the board before July 1, 1981.~~

11 ~~(2) The effective date of withdrawal must be before January 1,~~
 12 ~~1982.~~

13 ~~(e)(1)(b)(1)~~ When the water and sewer department of a municipal
 14 participating public employer in a city of the first class becomes leased
 15 from the municipality and operated by a nonprofit corporation, the mayor
 16 shall notify the board in writing within ten (10) days after the utility
 17 ceases to be operated by the municipality and may request a refund of the
 18 employer contributions paid to the system by the municipality on behalf of
 19 the utility employees during their period of employment with the utility.

20 (2) As soon as practicable after notification and request, the
 21 board shall arrange for a determination by its actuary or investment
 22 counselor of the lump sum present value of future system benefits for
 23 retirants, beneficiaries, and inactive members entitled to a deferred annuity
 24 from the employment with the utility while it was operated by the
 25 municipality.

26 (3) The refund requested shall be subject to the following:

27 (A)(i) If the present value is more than the present
 28 system assets arising from the municipality's applicable contributions, then
 29 the difference determined by the system's actuary shall be paid to the system
 30 by the municipality, either in a single sum or in a series of actuarially
 31 equivalent payments over a period not to exceed ten (10) years.

32 (ii) The payment method shall be elected by the
 33 municipality from reasonable optional payment methods to be offered by the
 34 board;

35 (B) If the present value is less than the present system
 36 assets arising from the municipality's applicable contributions, then the

1 difference determined by the system's actuary shall be paid by the system to
2 the municipality, either in a single sum or in a series of actuarially
3 equivalent payments over a period not to exceed ten (10) years as the board
4 shall determine;

5 (C) The board shall withhold twenty percent (20%) from the
6 municipality's applicable employer contributions and shall maintain that
7 amount in the employer accumulation account for noncontributory utility
8 employees who may reenter the system and have their forfeited utility service
9 restored to their credit;

10 (D) From and after the date the utility ceased to be
11 operated by the municipality:

12 (i) The system shall have no further obligation for
13 payment of benefits for the municipality's employees, which benefits would be
14 based on service with the utility, except for any refund of contributions due
15 a former member from the members' deposit account; and

16 (ii) The system shall retain the obligation for
17 payment of benefits for the retirant and beneficiaries and inactive members
18 entitled to a deferred annuity from employment with the utility while it was
19 operated by the municipality, except that the retained obligation shall be
20 reduced by any payment overdue or not paid to the system by the municipality
21 for service of its utility employees before the municipality ceased operating
22 the utility.

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