

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 114

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5 By: Senator Faris
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For An Act To Be Entitled

9 AN ACT TO PROVIDE RECOGNITION OF SERVICE CREDIT
10 BETWEEN FEDERAL GOVERNMENT RETIREMENT SYSTEMS AND
11 CERTAIN STATE GOVERNMENT RETIREMENT SYSTEMS TO
12 ENCOURAGE THE PORTABILITY OF RETIREMENT CREDIT
13 FOR GOVERNMENT EMPLOYEES; AND FOR OTHER PURPOSES.
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Subtitle

15 TO PROVIDE RECOGNITION OF SERVICE CREDIT
16 BETWEEN FEDERAL GOVERNMENT RETIREMENT
17 SYSTEMS AND CERTAIN STATE GOVERNMENT
18 RETIREMENT SYSTEMS TO ENCOURAGE THE
19 PORTABILITY OF RETIREMENT CREDIT FOR
20 GOVERNMENT EMPLOYEES.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code Title 24, Chapter 1, Subchapter 1 is amended
27 to add an additional section to read as follows:

28 24-1-107. Recognition of federal retirement programs.

29 (a)(1) The Board of Trustees of the Arkansas Public Employees'
30 Retirement System and the Arkansas Teacher Retirement System shall develop
31 policies and regulations to recognize the service credit for members of each
32 system earned in the retirement systems of federal government agencies.

33 (2) The former federal employee who becomes a member shall
34 receive service credit in the system for the member's service with the
35 federal retirement system under the regulations.

36 (b)(1) The active member of the state system shall receive credit for



1 the member's federal service upon the payment of the employee and employer
 2 contributions prescribed by the board's regulations, together with regular
 3 interest from the dates for the federal service to the date of payment.

4 (2) The provisions for determining a year of federal service
 5 credit shall be under the regulations of each system.

6 (3) The person may qualify for age and service retirement in the
 7 state system using the federal credited service plus the member's credited
 8 service acquired in the employ of the state employers to meet the minimum
 9 service requirements of the state systems.

10 (c)(1)(A) The Board of Trustees of the Arkansas Public Employees'
 11 Retirement System and the Arkansas Teacher Retirement System shall develop
 12 policies and regulations to permit former members of each system who are
 13 working for the federal government to remove funds from the systems that were
 14 invested on the members' behalf.

15 (B) The funds are payable to a federal government
 16 retirement system to purchase equivalent service credit in the federal system
 17 for the former member of the systems.

18 (2)(A) The systems may pay to the federal systems the reserve
 19 value of any member's service credit with the consent of the former member.

20 (B) The reserve value is the actuarial equivalent of the
 21 present value of any service credit that would be payable to the member at
 22 retirement age.

23 (3) A payment made under this subsection (c) shall be a complete
 24 discharge of all liability under the systems for the former member's service.

25 (d) The boards of trustees of the state system shall promulgate rules
 26 and regulations to coordinate their benefits with the benefits of the federal
 27 government retirement systems.

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