

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: S1/27/03

A Bill

SENATE BILL 42

5 By: Senators Wilkinson, *Faris, J. Jeffress, G. Jeffress*
6 By: Representative Walters
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER
10 4, SUBCHAPTER 5 TO ADD A NEW SECTION TO ALLOW
11 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
12 SYSTEM TO PURCHASE SERVICE CREDIT FOR SERVICE IN
13 THE ARKANSAS NATIONAL GUARD OR THE ARMED FORCES
14 RESERVE; AND FOR OTHER PURPOSES.
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Subtitle

17 TO ALLOW PERS MEMBERS TO PURCHASE
18 SERVICE CREDIT FOR TIME IN THE NATIONAL
19 GUARD OR ARMED FORCES RESERVE.
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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 Title 24, Chapter 4, Subchapter 5 is amended
26 to add an additional section to read as follows:

27 24-4-524. National Guard and Armed Forces Reserve service credit.

28 (a) As used in this section, "Armed Forces Reserve" means one of the
29 Reserve components of the United States armed forces.

30 (b)(1) A member of the Public Employees' Retirement System is entitled
31 to purchase credited service in the system for a period not to exceed five
32 (5) years for compensated service rendered by the member in the Arkansas
33 National Guard or in the Armed Forces Reserve if the member:

34 (A) Makes an application to the Board of Trustees of the
35 Public Employees' Retirement System;

36 (B) Provides the board with satisfactory proof of that



1 person's service in the Arkansas National Guard or Armed Forces Reserve; and

2 (C)(i) For each year of service credit granted, pays to
3 the system the employee and employer contributions based on the greater of:

4 (a) The annual salary received by the member
5 for the member's first full year of credited service that precedes the fiscal
6 year in which the service is purchased; or

7 (b) The average of the three (3) highest
8 salaries earned at the time of purchase; and

9 (ii) Interest from the end of that year of credited
10 service to the date of payment in full.

11 (2) Payments for service under this section are to be based on
12 the contribution rates in effect at the time of the purchase.

13 (3) If the payment for service under this section is not made in
14 a single lump-sum payment, interest shall accrue from the date of the initial
15 payment to the date of the payment in full.

16 (4) The payment is to be credited to the member's account in the
17 members' deposit account and is in addition to regular member contributions.

18 (c) Members shall receive one (1) year of purchased service credit for
19 each five (5) years of compensated service in the Arkansas National Guard or
20 in the Armed Forces Reserve.

21 (d) The Arkansas National Guard or Armed Forces Reserve service shall
22 not become credited service under this system until:

23 (1) The member payments specified in this section have been paid
24 in full; and

25 (2) The member has established five (5) or more years of actual
26 service in the system.

27 (e) If a member ceases to be an active member before the Arkansas
28 National Guard or Armed Forces Reserve service has been established as
29 system-credited service, the member payments contributed under this section
30 are refundable, together with regular interest.

31 (f)(1) This section is supplemental to § 24-2-502, and nothing in this
32 section shall diminish the right of any member of the system to obtain
33 credited service in the system for active duty military service within the
34 limits permitted by § 24-2-502.

35 (2)(A) However, no member is entitled to receive in excess of
36 five (5) years of credited service rendered by the member under this section;

1 (B) No member is eligible to purchase service credit in
2 more than one (1) state-supported retirement system for service time in the
3 Arkansas National Guard or in the Armed Forces Reserve; and

4 (C) Service credit in the system for active duty military
5 service under § 24-2-502 and for service in the Arkansas National Guard or
6 Armed Forces Reserve shall not be given for the same period of time.

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8 */s/ Wilkinson*

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