

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

SENATE BILL 111

5 By: Senator J. Taylor
6

For An Act To Be Entitled

8 AN ACT TO INCLUDE STATE-AUTHORIZED, LOCAL RETIREMENT
9 SYSTEMS AND PLANS FOR ELECTED PUBLIC OFFICIALS WITHIN
10 THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO
11 PROVIDE RECIPROCAL CREDIT FOR LOCALLY ELECTED PUBLIC
12 OFFICIALS; TO PROVIDE TWO-FOR-ONE CREDITED SERVICE
13 FOR LOCALLY ELECTED PUBLIC OFFICIALS; TO DECLARE AN
14 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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18 TO INCLUDE LOCAL RETIREMENT SYSTEMS AND
19 PLANS FOR ELECTED PUBLIC OFFICIALS WITHIN
20 THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
21 SYSTEM; TO PROVIDE RECIPROCAL CREDIT AND
22 TWO-FOR-ONE CREDITED SERVICE; AND TO
23 DECLARE AN EMERGENCY.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 24-2-401(3), concerning the definitions
29 used for public employee retirement plans, is amended to read as follows:

30 (3) "Reciprocal system" means:

31 (A) The Arkansas Teacher Retirement System in operation
32 June 30, 1957, and continued by §§ 24-7-202 – 24-7-205, 24-7-301 – 24-7-305,
33 24-7-401 – 24-7-411, 24-7-501, 24-7-502, 24-7-601 – 24-7-604, 24-7-606, 24-7-
34 701, 24-7-702, 24-7-704 – 24-7-713, 24-7-715, and 24-7-716;

35 (B) The Arkansas State Highway Employees' Retirement
36 System, established by § 24-5-103;



1 (C) The Arkansas Public Employees' Retirement System,
 2 established by § 24-4-103;

3 (D) The State Police Retirement System, established by §
 4 24-6-203;

5 (E) The Arkansas Judicial Retirement System, established
 6 by § 24-8-201 et seq.;

7 (F) An alternate retirement plan for:

8 (i) A college, university, or the Department of
 9 Higher Education provided ~~for~~ under § 24-7-801 et seq.; or

10 (ii) A vocational-technical school or the Department
 11 of Career Education provided ~~for~~ under § 24-7-901 et seq.; ~~or~~

12 (G) The Arkansas Local Police and Fire Retirement System
 13 provided ~~for~~ under § 24-10-101 et seq.; and

14 (H) A state-authorized, local retirement benefit system or
 15 plan for elected public officials of a city or town, established before July
 16 3, 1989; and

17
 18 SECTION 2. Arkansas Code § 24-4-521(b), concerning credited service in
 19 the Arkansas Public Employees' Retirement System, is amended to add an
 20 additional subdivision to read as follows:

21 (7) Noncontributory and contributory employment as an elected
 22 public official under a state-authorized, local retirement benefit system or
 23 plan as provided in § 24-4-753 shall be credited as service at two (2) times
 24 the regular rate for crediting service. However, at least five (5) years of
 25 actual service are required to meet:

26 (A) The retirement eligibility requirements of §§ 24-4-601
 27 and 24-4-510 – 24-4-512; and

28 (B) The eligibility requirements of § 24-4-608.

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 30 SECTION 3. Arkansas Code Title 24, Chapter 4, Subchapter 7 is amended
 31 to add an additional section to read as follows:

32 24-4-753. Locally elected public officials.

33 (a) As used in this section, "locally elected public official" means a
 34 person who is a member of a state-authorized, local retirement benefit system
 35 or plan for elected public officials of a city or town, established before
 36 July 3, 1989.

1 (b) The Board of Trustees of the Arkansas Public Employees' Retirement
2 System shall include within the membership of the Arkansas Public Employees'
3 Retirement System, as created by this chapter, each locally elected public
4 official who is not a member of or eligible for membership in some other
5 state-supported retirement system other than social security.

6 (c)(1) The effective date of membership of each locally elected public
7 official in the system is January 1, 2001.

8 (2) Each locally elected public official enrolled in the system
9 is subject to the rights, privileges, and limitations prescribed in this
10 chapter.

11 (d) A locally elected public official included within the membership
12 of the system under this section shall be given credit for service rendered
13 before January 1, 2001, as a locally elected public official, if the locally
14 elected public official was in office on January 1, 2001, and on July 1,
15 2010.

16 (e)(1) A person included within the membership of the system by this
17 section who was a locally elected public official on July 1, 2010, may apply
18 for and receive current service credit for service rendered as an employee of
19 a public employer, as defined in § 24-4-101, or as a locally elected public
20 official from January 1, 2001, to July 1, 2011.

21 (2) The locally elected public official shall receive credit
22 under this section only if the locally elected public official pays or causes
23 to be paid to the Arkansas Public Employees' Retirement System Fund:

24 (A) All necessary contributions at the following rates for
25 the prescribed time periods that would have been paid had the locally elected
26 public official been a member of the system during those time periods:

27 (i) Four percent (4%) for the locally elected public
28 official and four percent (4%) for the city or town having the local
29 retirement benefit system or plan from January 1, 2001, to January 1, 2004;

30 (ii) Four percent (4%) for the locally elected
31 public official and five percent (5%) for the city or town having the local
32 retirement benefit system or plan from January 1, 2004, to January 1, 2007;
33 and

34 (iii) Five percent (5%) for the locally elected
35 public official and seven percent (7%) for the city or town having the local
36 retirement benefit system or plan from January 1, 2007, to July 1, 2011; and

1 (B)(i) Interest at the rate of four percent (4%) per annum
2 compounded annually from January 1, 2001, on all contributions.

3 (ii) Interest shall be paid in full on or before
4 July 1, 2012.

5 (f)(1) Each state-authorized, local retirement system or plan for
6 elected public officials of a city or town shall pay into the fund such sums
7 of money as are necessary to match the contributions of the locally elected
8 public officials in the same form and manner as public employers.

9 (2) Each state-authorized, local retirement system or plan for
10 elected public officials of a city or town is subject to this chapter to the
11 same extent as public employers.

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13 SECTION 4. Sections 1 through 3 of this act apply retroactively to
14 each locally elected public official, as defined in § 24-4-753, who retired
15 after December 31, 2000.

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17 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
18 General Assembly of the State of Arkansas that no local retirement system or
19 plan for members of the governing body of a city or town has been established
20 since 1989 according to § 14-42-116; that in 2001 there existed continuing
21 local retirement benefit systems and plans for elected public officials of a
22 city or town that were established before July 3, 1989; that the uniform
23 benefits that applied to the local retirement benefit systems and plans for
24 elected public officials of a city or town were repealed in 2001; that the
25 existing state-authorized, local retirement benefit systems and plans for
26 elected public officials of a city or town were inadvertently excluded from
27 the Arkansas Public Employees' Retirement System in 2001 when the uniform
28 benefits for retirement and pensions were repealed; that, as a result of this
29 omission, there are locally elected public officials who were inadvertently
30 deprived of benefits they were intended to receive under the system; and that
31 this act is immediately necessary to remedy the inadvertent omission of local
32 retirement systems or plans for elected public officials from the Arkansas
33 Public Employees' Retirement System and provide the intended benefits for
34 locally elected public officials. Therefore, an emergency is declared to
35 exist and this act being immediately necessary for the preservation of the
36 public peace, health, and safety shall become effective on:

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(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.