

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

As Engrossed: H3/21/13

# A Bill

HOUSE BILL 1228

5 By: Representative Branscum  
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## For An Act To Be Entitled

8 AN ACT CONCERNING THE PURCHASE OF REFUNDED SERVICE  
9 FROM THE ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT  
10 SYSTEM; AND FOR OTHER PURPOSES.  
11

## Subtitle

12 CONCERNING THE PURCHASE OF REFUNDED  
13 SERVICE FROM THE ARKANSAS STATE HIGHWAY  
14 EMPLOYEES' RETIREMENT SYSTEM.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 *SECTION 1. Arkansas Code § 24-5-101(2) is repealed.*

22 ~~*(2) "Actuarial equivalent" means a benefit of equal reserve value when*~~  
23 ~~*reserve is the present value of all payment to be made on account of any*~~  
24 ~~*benefit based upon such reasonable rate of interest and table of experience*~~  
25 ~~*as a plan shall adopt from time to time;*~~  
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27 *SECTION 2. Arkansas Code § 24-5-117(c) is repealed.*

28 ~~*(c) The payment of the cost of the refunded service shall be based on*~~  
29 ~~*an actuarial equivalent as prescribed by the board if a member:*~~

30 ~~*(1) Is reemployed by a state employer;*~~

31 ~~*(2) Has received a refund from the Arkansas State Highway*~~  
32 ~~*Employees' Retirement System; and*~~

33 ~~*(3) Seeks to reinstate time withdrawn.*~~  
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35 *SECTION 3. Arkansas Code Title 24, Chapter 5, Subchapter 1 is amended*  
36 *to add a new section to read as follows:*



1 24-5-138. Credit for prior service with public employer.

2 (a) An employee of the Arkansas State Highway and Transportation  
3 Department who became a member of the Arkansas State Highway Employees'  
4 Retirement System on or before July 1, 1967, upon application and submission  
5 of proper proof to the Board of Trustees of the Arkansas State Highway  
6 Employees' Retirement System, shall receive prior service credit for any  
7 service rendered to a public employer, as defined in § 24-4-101, prior to  
8 July 1, 1967.

9 (b) Before a member or employee is credited with such prior service,  
10 the member or employee shall pay into the system an amount equal to that  
11 which the member would have paid if the service to be credited had been  
12 performed for the department, together with such interest as the board  
13 prescribes.

14 (c) It is the purpose of § 24-5-110 and this section to protect  
15 employees and to provide that employees will not lose their status or  
16 retirement benefits by changing employment from one (1) state department to  
17 another state department and that employment by the Arkansas State Highway  
18 and Transportation Department and other departments shall be cumulative in  
19 calculating retirement benefits.

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21 SECTION 4. Arkansas Code § 24-5-101, concerning definitions under the  
22 Arkansas State Highway Employees' Retirement System, is amended to add an  
23 additional subsection to read as follows:

24 (16) "Actuarial equivalent" means a benefit of equal reserve  
25 value when reserve is the present value of all payment to be made on account  
26 of any benefit based upon such reasonable rate of interest and table of  
27 experience as a plan shall adopt from time to time;

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29 SECTION 5. Arkansas Code § 24-5-117, concerning benefits and  
30 withdrawal from service under the Arkansas State Highway Employees'  
31 Retirement System, is amended to add an additional subsection to read as  
32 follows:

33 (c) The payment of the cost of the refunded service shall be based on  
34 an actuarial equivalent as prescribed by the board if a member:

35 (1) Is reemployed by a state employer;

36 (2) Has received a refund from the Arkansas State Highway

1 Employees' Retirement System; and

2 (3) Seeks to reinstate time withdrawn.

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4 SECTION 6. Arkansas Code § 24-5-138 is repealed.

5 24-5-138. Credit for prior service with public employer.

6 ~~(a) An employee of the Arkansas State Highway and Transportation~~  
7 ~~Department who became a member of the Arkansas State Highway Employees'~~  
8 ~~Retirement System on or before July 1, 1967, upon application and submission~~  
9 ~~of proper proof to the Board of Trustees of the Arkansas State Highway~~  
10 ~~Employees' Retirement System, shall receive prior service credit for any~~  
11 ~~service rendered to a public employer, as defined in § 24-4-101, prior to~~  
12 ~~July 1, 1967.~~

13 ~~(b) Before a member or employee is credited with such prior service,~~  
14 ~~the member or employee shall pay into the system an amount equal to that~~  
15 ~~which the member would have paid if the service to be credited had been~~  
16 ~~performed for the department, together with such interest as the board~~  
17 ~~prescribes.~~

18 ~~(c) It is the purpose of § 24-5-110 and this section to protect~~  
19 ~~employees and to provide that employees will not lose their status or~~  
20 ~~retirement benefits by changing employment from one (1) state department to~~  
21 ~~another state department and that employment by the Arkansas State Highway~~  
22 ~~and Transportation Department and other departments shall be cumulative in~~  
23 ~~calculating retirement benefits.~~

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25 SECTION 7. EFFECTIVE DATE. Sections 1 through 3 of this act are  
26 effective on and after July 1, 2013.

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28 SECTION 8. EFFECTIVE DATE. Sections 4 through 6 of this act are  
29 effective on and after September 1, 2013.

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31 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the  
32 General Assembly of the State of Arkansas that certain provisions of the  
33 Arkansas State Highway Employees' Retirement System law are in urgent need of  
34 revision to bring them into conformance with sound public pension policy;  
35 that this revision is of great importance to members of the Arkansas State  
36 Highway Employees' Retirement System and to other citizens of the State of

1 Arkansas; that a member's purchase of service credit needs to be amended for  
2 a short time to permit equitable application of new law; and that at the  
3 expiration of this time the law should be reenacted; that such action is  
4 necessary to provide a fair opportunity for affected members to take  
5 appropriate actions in their best interest; and that this act is necessary  
6 to maintain an orderly system of benefits for the members of the Arkansas  
7 State Highway Employees' Retirement System. Therefore, an emergency is  
8 declared to exist and this act being necessary for the preservation of the  
9 public peace, health, and safety shall become effective on July 1, 2013.

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11 /s/Branscum  
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