

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4  
5 By: Senator B. Sample

# A Bill

SENATE BILL 72

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING PAID AND VOLUNTEER  
9 SERVICE, SERVICE CREDIT, DISABILITY RETIREMENT, AND  
10 TERMINATION OF COVERED EMPLOYMENT UNDER THE ARKANSAS  
11 LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO DECLARE  
12 AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

16 TO AMEND THE LAW CONCERNING PAID AND  
17 VOLUNTEER SERVICE, SERVICE CREDIT,  
18 DISABILITY RETIREMENT, AND TERMINATION OF  
19 COVERED EMPLOYMENT UNDER THE ARKANSAS  
20 LOCAL POLICE AND FIRE RETIREMENT SYSTEM;  
21 AND TO DECLARE AN EMERGENCY.

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

26 SECTION 1. Arkansas Code § 24-10-501(c)(1), concerning when an  
27 employer must certify the periods of prior employment of the members of the  
28 retirement system to the Board of Trustees of the Arkansas Local Police and  
29 Fire Retirement System, is amended to read as follows:

30 (c)(1) Not later than ~~one (1) year~~ ten (10) calendar days from and  
31 after the date an employer covers its employees and before the retirement of  
32 a member included in the employees so covered, the employer shall certify to  
33 the board the periods of ~~prior~~ employment of each of its members to be  
34 considered for credit as paid service and for credit as volunteer service.

36 SECTION 2. Arkansas Code § 24-10-501, concerning paid and volunteer



1 service, is amended to add an additional subsection to read as follows:

2 (e)(1) A member who is hired on or after July 1, 2019, may be covered  
 3 by only one (1) employer until he or she accrues ten (10) years of actual  
 4 service credit in the system.

5 (2) After a member accrues ten (10) years of actual service  
 6 credit in the system, the member may only accrue a maximum of five (5)  
 7 additional years of the service credit described under subdivision (a)(2) of  
 8 this section.

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 10 SECTION 3. Arkansas Code § 24-10-508, concerning service credit, is  
 11 amended to add an additional subsection to read as follows:

12 (c) No additional service credit shall be credited under this section  
 13 on or after April 1, 2019.

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 15 SECTION 4. Arkansas Code § 24-10-607(a)(2), concerning when a proper  
 16 application must be filed with the Board of Trustees of the Arkansas Local  
 17 Police and Fire Retirement System by or on behalf of a member or a former  
 18 member, is amended to read as follows:

19 (2) A proper application to the board by the member or former  
 20 member or on behalf of the member shall be filed with the board not later  
 21 than ~~one (1) year~~ thirty (30) calendar days after the termination of active  
 22 membership.

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 24 SECTION 5. Arkansas Code § 24-10-607(a)(3), concerning the effective  
 25 date of a disability annuity for a member who is incapacitated as a result of  
 26 personal injury or disease, is amended to read as follows:

27 (3) The disability annuity shall be effective the first day of  
 28 the calendar month next following ~~the later of:~~

29 ~~(A) His or her termination of active membership; or~~

30 ~~(B) Six (6) months before the date the proper application~~  
 31 is filed with the board his or her termination of active membership and  
 32 filing of the proper application with the board.

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 34 SECTION 6. Arkansas Code § 24-10-607(c)(2), concerning when a proper  
 35 application must be filed with the Board of Trustees of the Arkansas Local  
 36 Police and Fire Retirement System by or on behalf of a member or a former

1 member, is amended to read as follows:

2 (2) A proper application to the board by the member or former  
3 member or on behalf of the member shall be filed with the board not later  
4 than ~~one (1) year~~ thirty (30) calendar days after the termination of active  
5 membership.

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7 SECTION 7. Arkansas Code § 24-10-607(c)(3), concerning the effective  
8 date of a disability annuity for a member who is incapacitated as a result of  
9 actual performance of duty, is amended to read as follows:

10 (3) The disability annuity shall be effective the first day of  
11 the calendar month next following ~~the later of:~~

- 12 ~~(A) His or her termination of active membership; or~~
- 13 ~~(B) Six (6) months before the date the proper application~~  
14 ~~is filed with the board~~ his or her termination of active membership and  
15 filing of the proper application with the board.

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17 SECTION 8. Arkansas Code § 24-10-611(b)(3), concerning the calculation  
18 of the redetermined amount of a member's annuity, is amended to read as  
19 follows:

20 (3)(A) The redetermined amount shall be the amount of final  
21 average pay at the time of termination of covered employment increased by  
22 one-half (½) of any percentage increase in the inflation index for the period  
23 from three (3) months immediately preceding the termination to three (3)  
24 months immediately preceding the annuity effective date.

25 (B) For an annuity with an effective date that is on or  
26 after July 1, 2019, the pay used for the annuity computation shall be the  
27 final average pay at the time of termination from paid service employment  
28 with the system.

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30 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the  
31 General Assembly of the State of Arkansas that the operations of the Arkansas  
32 Local Police and Fire Retirement System are complex; that the Arkansas Local  
33 Police and Fire Retirement System must be able to meet the needs of its  
34 members; that these statutes are imminently in need of revision and updating  
35 in order to conform with competent public pension policy and prevent any  
36 possible exploitation of the benefit structure of the Arkansas Local Police

1 and Fire Retirement System; that the calculation of certain retirement  
2 benefits is in need of clarification; that there is a need for certainty with  
3 regard to benefit accruals that are applicable to new members of the Arkansas  
4 Local Police and Fire Retirement System; and that this act is immediately  
5 necessary in order to maintain an orderly management of benefits for the  
6 members of the Arkansas Local Police and Fire Retirement System. Therefore,  
7 an emergency is declared to exist, and this act being necessary for the  
8 preservation of the public peace, health, and safety shall become effective  
9 on March 31, 2019.

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