

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Maddox**

A Bill ACT 13 OF 1991

HOUSE BILL 1130

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 24, CHAPTER 2, SUBCHAPTER 3 OF THE
9 ARKANSAS CODE OF 1987 TO VALIDATE THE MEMBERSHIP OF
10 PERSONS IN VARIOUS RETIREMENT SYSTEMS; AND FOR OTHER
11 PURPOSES."

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

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15 SECTION 1. Arkansas Code §24-2-304 is hereby amended to read as
16 follows:

17 "24-2-304. Erroneous enrollment on or after January 1, 1979.

18 (a) When it is discovered by an employee, employer, or a state
19 retirement system that an employee became erroneously enrolled in a state
20 retirement system on or after January 1, 1979, the employee may elect to
21 remain a member of the system of record or may become a member of the eligible
22 retirement system. Subsections (b)-(d) of this section shall apply if the
23 member chooses to become a member of the eligible retirement system.

24 (b) The retirement system of record shall refund to the employer all
25 contributions, both employee and employer, that were made in behalf of the
26 employee in question.

27 (c)(1) The employer shall retain the contributions of both the employee
28 and the employer that are refunded under subsection (b) of this section until
29 the member is enrolled in the eligible retirement system.

30 (2) Upon receipt of the refunded contributions, the employer
31 shall file with the eligible retirement system an application for membership
32 by the employee and a history of covered employment and wages, including
33 service refunded by the retirement system of record.

34 (d)(1) The eligible retirement system shall furnish to both the
35 employee and the employer a statement of the amount of contributions necessary
36 to establish service credit in the eligible retirement system for the service

1 refunded by the retirement system of record.

2 (2) In computing the cost of that service, the eligible
3 retirement system shall include both employee and employer contribution rates
4 in its computation.

5 (3) In paying the cost of establishing credit for the service in
6 the eligible retirement system, the employer shall first use the employee
7 refund from the retirement system of record and then as much of the employer
8 refund as may be necessary; however, if all of the employer refund is not
9 required to establish service credit, the remaining amount shall be paid into
10 the general education fund.

11 (4) In the event the cost of establishing the service credit is
12 in excess of both the employee and employer contributions refunded by the
13 retirement system of record, the excess amount shall be paid by the employee."
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15 SECTION 2. All provisions of this act of a general and permanent nature
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
17 Revision Commission shall incorporate the same in the Code.

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19 SECTION 3. If any provision of this act or the application thereof to
20 any person or circumstance is held invalid, such invalidity shall not affect
21 other provisions or applications of the act which can be given effect without
22 the invalid provision or application, and to this end the provisions of this
23 act are declared to be severable.

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25 SECTION 4. All laws and parts of laws in conflict with this act are
26 hereby repealed.

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28 SECTION 5. EMERGENCY. It is hereby found and determined by the General
29 Assembly of the State of Arkansas that the law providing for correction of
30 erroneous enrollments in state retirement systems causes an undue hardship on
31 some employees; that this act is designed to alleviate that hardship by
32 allowing the employees a choice. Therefore, an emergency is hereby declared
33 to exist and this act being necessary for the immediate preservation of the
34 public peace, health and safety shall be in full force and effect from and
35 after its passage and approval.

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APPROVED: 2-1-91