

"AN ACT TO AMEND PORTIONS OF ACT 177 OF 1957, AS AMENDED, THE SAME BEING SECTION 12-2501,E.(a), AND SECTION 12-2501, E (e) OF THE ARKANSAS STATUTES ANNOTATED, AND TO PROVIDE THAT FORMER MEMBERS OF THE MUNICIPAL FIREMEN'S AND POLICEMEN'S PENSION SYSTEMS MAY BE ELIGIBLE FOR MEMBERSHIP IN THE PUBLIC EMPLOYEES RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 1,E.(a) of Act 177 of 1957 as amended, the same being Section 12-2501, E.(a) Arkansas Statutes Annotated is hereby amended to read as follows:

"E.(a) "Employees" means all officers and employees of any office, agency, board, commission or department of a public employer whose compensations were, or are, payable from funds appropriated by said public employer. In addition thereto, the term "employees" shall include all otherwise eligible such employees whose compensations were, or are, payable in whole or part from Federal Funds; and shall also include the official court reporters and stenographers of the Circuit and Chancery Courts of the State. Except members of the General Assembly and those persons eligible for, or receiving benefits from a local Firemen's or Policemen's Pension Fund, the term "employees" shall not include persons who are members of, or who are eligible for benefits under or membership in, any other retirement system, excepting Federal Social Security, which retirement system is supported by State funds and/or is authorized by the laws of the State. In addition to the exceptions listed above, the term "employees" shall, effective July 1, 1983, include those persons who are eligible for benefits from the Teachers Insurance and Annuity Association (TIAA) but who are otherwise eligible for participation in the System due to employment with a public employer. The term "employees" shall not include those person who are receiving or who begin receiving TIAA benefits while still participating in the System.

Any person who has heretofore been denied coverage under the System due to the fact that such person was eligible for benefits from a local Firemen's or Policemen's Pension Fund or TIAA, shall from the dates of February 11, 1976, and July 1, 1983, respectively become a member of the System if in an otherwise eligible position due to his employment with a public employer, and may at the employee's option receive credit for service rendered to a participating public employer before that date subject to the following conditions:

(i) the person is a participating employee covered under the System at the time of such purchase; or if not participating in the System, such person shall be eligible to purchase this service if the person was in an otherwise eligible position on July 1, 1982 and all contributions and interest are received by the System before January 1, 1984, and

(ii) The member pays, or causes to be paid, all contributions, employee and employer, at the rate and based on the compensation received by such persons during the period of time when the service was rendered, together with interest of six per cent (6%) per annum, compounded annually from the date such service was rendered to the date payment is received by the System. The member may purchase all of such service or any portion thereof in multiples of one (1) year.

(iii) such payment of funds shall be made in one (1) lump sum. In addition to the aforesaid exclusions, the term "employees" specifically shall not

include the following:

(1) Persons in the employ of the Arkansas State Police Department who are members of, or who are eligible for benefits under, or membership in the State Police Retirement System, except as otherwise provided by law.

(2) Persons in the employ of the State Department of Education or the Arkansas Teachers Retirement System, except as otherwise provided by law.

(3) Persons in the employ of the University of Arkansas or any other State-supported institution of higher learning, except as otherwise provided by law.

(4) Judges of the Supreme Court, Circuit Courts, or Chancery Courts.

(5) Persons in the employ of the General Assembly, who are employed on less than a full time regular annual salary basis, except that any person who has served or who hereafter shall serve during at least six (6) legislative sessions as Chief Clerk of the House of Representatives, and who has served in the employ of the General Assembly during at least twelve (12) previous legislative sessions, shall be eligible to receive credited service in the Public Employees Retirement System for any period of employment with the General Assembly since July 1, 1957, provided that:

(a) The employee is now or was in the past an active member of the System with at least ten (10) years of credited service; and

(b) The employee pays or causes to be paid all contributions, employee and employer, that would have been paid had he been a member of the System during those periods of time.

(6) Persons who are in the employ of the State Highway Department.

(7) Persons employed with the intent of working less than 90 calendar days.

(9) Persons who are first employed or those who are re-employed as participants July 1, 1979 or thereafter under the Comprehensive Employment and Training Act (CETA), the same being Public Law 93-203, as amended. Those persons, however, participating in this program prior to July 1, 1979, shall continue to be members of the System while employed by a participating public employer."

SECTION 2. Section 1, E.(e) of Act 177 of 1957, as amended, the same being Section 12-2501, E.(e), Arkansas Statutes Annotated is hereby amended to read as follows:

"(e) Municipal employees means all employees whose compensations are payable either directly or indirectly by a municipal participating public employer or employers and shall include employees of the Municipal League, employees of the Water and Sewer System of any city divided by a State lien, and employees of the Arkansas Local Police and Fire Retirement System. This term, however, shall not include members of a Municipal Fireman's [Firemen's] or Policemen's Pension Fund while such member is accruing credited service in that system."

SECTION 3. All laws and parts of laws in conflict herewith are hereby repealed.

APPROVED: April 14, 1987

---