

*.As Engrossed: 4/7/95*

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**  
4 **By: Representative Jones**

# **A Bill**

**ACT 1264 OF 1995**  
**HOUSE BILL 1256**

## **For An Act To Be Entitled**

8 "AN ACT TO AUTHORIZE MEMBERS OF THE PUBLIC EMPLOYEES  
9 RETIREMENT SYSTEM (PERS) TO PURCHASE SERVICE CREDIT FOR UP  
10 TO THREE (3) YEARS OF SERVICE TO STATE AGENCIES WHILE  
11 EMPLOYED UNDER A FEDERAL GRANT; AND FOR OTHER PURPOSES."

## **Subtitle**

14 "TO ALLOW MEMBERS OF PERS TO PURCHASE  
15 SERVICE CREDIT FOR UP TO THREE (3) YEARS  
16 OF SERVICE WHILE EMPLOYED UNDER FEDERAL  
17 GRANTS."

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

21 SECTION 1. State service under a federal grant.

22 (a) From and after January 1, 1995, any person who is or was a member  
23 of the Public Employees' Retirement System shall be entitled to purchase  
24 credited service in the system for a period not to exceed three (3) years for  
25 state service under a federal grant, but only if the person:

26 (1) Has at least ten (10) years of credited service with the  
27 Public Employees' Retirement System;

28 (2) Is not receiving or was not eligible to receive any  
29 retirement benefits paid by another retirement system for the period of time  
30 for which he is claiming state service under a federal grant, except for  
31 social security benefits, if the person had left on deposit the contributions  
32 to the other system;

33 (3) Pays, or causes to be paid, all employee and employer  
34 contributions at the rate and based on the compensation received by the member  
35 during the period of time when the service was rendered, together with  
36 interest of six percent (6%) per annum, compounded annually from the date the

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1 service was rendered to the date payment is received by the system. The  
2 member may purchase all of the service or any portion thereof in multiples of  
3 one (1) year; and

4 (4) The payment of funds shall be made in one (1) lump, *provided,*  
5 *that if the employee leaves state employment before seven (7) years after the*  
6 *purchase of credited service under this act, the cost of the purchased service*  
7 *shall be refunded to the employee and credited service removed; and*

8 (5) Has otherwise complied with any and all other rules and  
9 regulations as the Board of Trustees may from time to time adopt under this  
10 section.

11 (b) As used in this section, "state service under a federal grant"  
12 means service rendered to any state agency while detailed or assigned to the  
13 agency under the terms of a federal grant agreement between an agency of the  
14 federal government and a state agency to perform services for the state agency  
15 and to be under the supervision of state administrators while being paid from  
16 federal grant funds awarded to the state agency and withheld from the federal  
17 grant monies.

18  
19 SECTION 2. All provisions of this act of general and permanent nature  
20 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
21 Revision Commission shall incorporate the same in the Code.

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

28  
29 SECTION 4. All laws and parts of laws in conflict with this act are  
30 hereby repealed.

31 /s/Rep. Jones

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33 APPROVED: 4-13-95