

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: S2/12/97 S2/21/97 S2/24/97 S3/28/97

A Bill

ACT 1162 OF 1997
SENATE BILL 20

4 *By: Senators Walters and Hopkins*

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For An Act To Be Entitled

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"AN ACT TO ESTABLISH THE ARKANSAS JUDICIAL DEFERRED

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RETIREMENT OPTION PLAN; AND FOR OTHER PURPOSES."

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Subtitle

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"TO ESTABLISH THE ARKANSAS JUDICIAL

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DEFERRED RETIREMENT OPTION PLAN."

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

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17 SECTION 1. Judicial deferred retirement option plan.

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19 *(a) Option to establish plan. The Board of Trustees of the Arkansas*
20 *Judicial Retirement System may establish a deferred retirement option plan for*
21 *its members so that, in lieu of terminating judicial service and accepting a*
22 *service retirement benefit pursuant to Arkansas Code §§ 24-8-201, et seq., any*
23 *person, who is a member of the Arkansas Judicial Retirement System, who has*
24 *twenty (20) or more years of actual service as a justice of the Supreme Court*
25 *or a judge of the circuit or chancery courts or of the Arkansas Court of*
26 *Appeals, and who is otherwise eligible to receive a service retirement benefit*
27 *pursuant to Arkansas Code Annotated, Title 24, Chapter 8, Subchapter 2, may*
28 *participate in a Arkansas Judicial Deferred Retirement Option Plan and defer*
29 *the receipt of benefits in accordance with the provisions of this act. The*
30 *Board of Trustees of the Arkansas Judicial Retirement System shall be*
31 *authorized to promulgate rules and regulations for a plan to provide this*
32 *actuarially sound System. Provided, that prior to providing a deferred*
33 *retirement option to its members, the Board of Trustees shall file relevant*
34 *information concerning the actuarial impact of the deferred retirement option*
35 *plan with the Joint Committee on Retirement and Social Security Programs and*
36 *the action shall be reviewed by the committee.*

1 (b) Plan provisions. In the event a plan is established, the Arkansas
2 Judicial Deferred Retirement Option Plan shall have, as a minimum, provisions
3 which require:

4 (1) the Board of Trustees of the Arkansas Judicial Retirement
5 System to approve of the members participation in the plan;

6 (2) The member's deferred retirement benefit to be deposited into
7 an account in which shall be accumulated the member's deferred option
8 contributions, plus interest. The deferred option contributions shall be a
9 percentage of the Judicial deferred option benefit. The percentage shall be
10 one hundred percent (100%) of the benefit reduced by a set percentage to be
11 determined in accordance with the rules and regulations of the Board of
12 Trustees as is appropriate to maintain an actuarially sound System. The
13 contribution amount shall be as calculated by the Board and the member shall
14 be informed of the amount of his deferred option benefit and contribution. The
15 percentage amount of his contribution may be increased, but shall not be
16 reduced, during the term of the member's participation in the plan. The Board
17 shall annually set the percentage rate for future participation in the plan;

18 (3) The rate of interest to be credited to each member's deferred
19 option account shall be at a rate to be determined by the Board of Trustees as
20 is appropriate to maintain an actuarially sound System and interest is to be
21 paid on the mean balance in the account for the fiscal year and credited on an
22 annual basis at the end of each fiscal year. The Board shall annually set the
23 interest rate to be paid on member's accounts for participation in the plan;

24 (4) That when a member begins participation in the deferred
25 retirement option, the members contributions and the states contributions, as
26 employer, to the System shall cease;

27 (5) That a member's selection of the deferred retirement option,
28 the time of the retirement deferral, and the selection of the retirement
29 annuity are irrevocable;

30 (6) That the members monthly retirement benefit shall not change,
31 unless the Judicial Retirement System receives a benefit increase;

32 (7) That the duration of participation in the deferred retirement
33 shall not exceed four (4) years; and

34 (8) The Board of Trustees of the Arkansas Judicial Retirement
35 System may determine any other provisions of the plan, such as the methods of
36 benefit payments for participants of the plan, the payment methods in the

1 event of the death of a participant, and any other provisions not in conflict
2 with other provisions of this act or Arkansas Code Annotated, Title 24,
3 Chapter 8, Subchapter 2.

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5 SECTION 2. A judge or justice shall lose all retirements benefits if he
6 or she serves beyond the end of the term of office during which he or she
7 elects to participate in the Arkansas Judicial Deferred Retirement Option
8 Plan. Further, the participation of a person in the Arkansas Judicial
9 Deferred Retirement Option Plan established in accordance with this act shall
10 not be construed to affect the requirements of Arkansas Code § 24-8-215 for
11 judges or justices to retire by their seventieth (70th) birthday or lose their
12 retirement benefits.

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14 SECTION 3. In the event a plan is established by the Board of Trustees
15 prior to July 1, 1998, the effective date of the plan shall be retroactive
16 back to January 1, 1997, and a persons eligibility to participate in the plan
17 shall be made retroactive to January 1, 1997 as long as the person meets all
18 the requirements of the plans provisions on that date. Otherwise, the
19 effective date of the plan shall be set by the Board at any time as is deemed
20 appropriate in maintaining the actuarial soundness of the System.

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22 SECTION 4. No benefit enhancement provided for by this act shall be
23 implemented if it would cause the publicly supported retirement systems
24 unfunded actuarial accrued liabilities to exceed a thirty (30) year
25 amortization. No benefit enhancement provided for by this act shall be
26 implemented by any publicly supported system which has unfunded actuarial
27 accrued liabilities being amortized over a period exceeding thirty (30) years
28 until the unfunded actuarial accrued liability is reduced to a level less than
29 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.

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31 SECTION 5. All provisions of this act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 6. If any provision of this act or the application thereof to
36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 act are declared to be severable.

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5 SECTION 7. All laws and parts of laws in conflict with this act are
6 hereby repealed.

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8 SECTION 8. EMERGENCY CLAUSE. It is hereby found and determined by the
9 Eighty-First General Assembly of the State of Arkansas that the retention of
10 experienced judges is beneficial to the court system and with the election of
11 younger judges, more qualified and experienced judges are reaching retirement
12 eligibility earlier in their careers. Immediate passage of the Act is
13 essential to the efficient administration of justice and immediate
14 implementation of the provisions of this Act is necessary to maintain
15 experienced judges on the bench. Therefore an emergency is declared to exist
16 and this act being immediately necessary for the preservation of the public
17 peace, health and safety shall become effective on the date of its approval by
18 the Governor. If the bill is neither approved nor vetoed by the Governor, it
19 shall become effective on the expiration of the period of time during which
20 the Governor may veto the bill. If the bill is vetoed by the Governor and the
21 veto is overridden, it shall become effective on the date the last house
22 overrides the veto.

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/s/Walters

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APPROVED:4-08-97

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