

Stricken language would be deleted from present law. Underlined language would be added to present law.

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

As Engrossed: S3/5/97 S3/12/97

## A Bill

ACT 927 OF 1997  
SENATE BILL 410

4  
5 By: Senator Hopkins  
6  
7

### For An Act To Be Entitled

8  
9 "AN ACT TO AMEND VARIOUS SECTIONS OF SUBCHAPTER 4 OF TITLE  
10 24, CHAPTER 2, OF THE ARKANSAS CODE OF 1987, ANNOTATED,  
11 REGARDING RECIPROCAL RETIREMENT SYSTEMS, TO PROVIDE FOR  
12 PARTICIPATION IN DEFERRED RETIREMENT OPTION PLANS AMONG  
13 THE MEMBERS OF THE VARIOUS RECIPROCAL RETIREMENT SYSTEMS;  
14 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."  
15

### Subtitle

16  
17 "TO ALLOW FOR PARTICIPATION IN DEFERRED  
18 RETIREMENT OPTION PLANS AMONG THE  
19 MEMBERS OF THE VARIOUS RECIPROCAL  
20 RETIREMENT SYSTEMS."  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 24-2-401, regarding the definitions for  
25 reciprocal retirement system credit, is amended to add a new subdivision (4)  
26 to read as follows:

27 "(4) Deferred retirement option plan means an option for retirement  
28 under a reciprocal system whereby the retirement system members, in lieu of  
29 terminating employment, can continue with employment with covered employers  
30 and can accept a service retirement benefit pursuant to deferred retirement  
31 option plan provisions in Arkansas Code §§ 24-7-1301, et seq. for the Arkansas  
32 Teacher Retirement System, or for any other deferred retirement option plan  
33 which might be created by, or authorized for creation by, law under a  
34 reciprocal system."  
35

36 SECTION 2. Arkansas Code § 24-2-402, regarding the eligibility for

1 certain retirement benefits under reciprocal retirement systems, is amended to  
2 add a new subdivision (9) to read as follows:

3 "(9) If the preceding or succeeding reciprocal system offers a deferred  
4 retirement option plan for its members, both service in the preceding and the  
5 succeeding reciprocal system may be counted to meet the minimum service credit  
6 requirements for benefits under a system's deferred retirement option plan.  
7 The benefit payable by the preceding reciprocal system shall be based on the  
8 annuity formula of the preceding reciprocal system, exclusive of any minimum  
9 amount at the time the person begins to receive monthly retirement benefits  
10 from that system under its deferred retirement option provisions. The final  
11 average compensation to be used to determine monthly benefits payable to that  
12 person shall be that of the reciprocal system which furnishes the highest  
13 final average salary at the time of retirement, but each reciprocal system  
14 shall use the method of computing final average salary stipulated by its law,  
15 and compensation in the Arkansas Judicial Retirement System shall not be used  
16 to determine final average compensation. Any interest credited to the  
17 deferred retirement account will be paid to the member's account under the  
18 deferred retirement option benefit program in effect for that system. The  
19 boards of trustees of each preceding or succeeding system shall promulgate  
20 rules and regulations as are necessary to coordinate their benefits with any  
21 system providing a deferred retirement option plan."

22

23 SECTION 3. Arkansas Code § 24-2-404 is amended to read as follows:

24 "24-2-404. Disbursement of annuities.

25 (a) The boards of trustees of the reciprocal systems may enter into an  
26 agreement whereby the reciprocal system from which a member retires shall be  
27 the disbursing system for his annuities payable, as provided in this  
28 subchapter, by the other reciprocal systems.

29 (b) The agreement shall provide, but shall not be limited to, the  
30 manner and frequency with which the disbursing system shall be reimbursed for  
31 the annuities payable by the other reciprocal systems.

32 (c) ~~The~~ Except for provisions of this section regarding the deferred  
33 retirement option plan under Arkansas Code §§ 24-7-1301, et seq. for the  
34 Teacher Retirement System, the provisions of this section shall not apply to  
35 retirants in the Arkansas Teacher Retirement System."

36

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

9  
10           SECTION 5. All provisions of this act of general and permanent nature  
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
12 Revision Commission shall incorporate the same in the Code.

13  
14           SECTION 6. If any provisions of this act or the application thereof to  
15 any person or circumstance is held invalid, the invalidity shall not affect  
16 other provisions or applications of the act which can be given effect without  
17 the invalid provisions or application, and to this end the provisions of this  
18 act are declared to be severable.

19  
20           SECTION 7. All laws and parts of laws in conflict with this act are  
21 hereby repealed.

22  
23           SECTION 8. Emergency. It is hereby found and determined by the  
24 Eighty-First General Assembly of the State of Arkansas that the current laws  
25 on the reciprocity of retirement systems does cover deferred retirement option  
26 accounts; that the retention of experienced employees, especially in skilled  
27 labor positions and highly technical fields, is beneficial to the Arkansas  
28 state government and with the hiring of employees at younger ages, more  
29 qualified and experienced employees are reaching retirement eligibility  
30 earlier in their careers; and that immediate passage of the act is essential  
31 to the efficient administration of state government and implementation of the  
32 provisions of this act is necessary to begin at the start of the States  
33 fiscal year. Therefore, an emergency is hereby declared to exist, and this  
34 act being necessary for the immediate preservation of the public peace,  
35 health, and safety, shall become effective July 1, 1997.

36

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

*/s/Hopkins*

APPROVED: 3-31-97