

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S2/3/99 S2/4/99 S2/9/99

A Bill

Act 496 of 1999
SENATE BILL 36

5 By: Senator Hopkins
6
7

For An Act To Be Entitled

9 "AN ACT TO PROVIDE FOR AN INCREASE IN THE BENEFIT
10 MULTIPLIER FOR EACH YEAR OF CREDITED SERVICE IN THE
11 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM; TO
12 PROVIDE FOR AN INCREASE IN BENEFIT PAYMENTS TO CURRENT
13 RETIRANTS AND BENEFICIARIES OF THE ARKANSAS PUBLIC
14 EMPLOYEES RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
15 AND FOR OTHER PURPOSES. "

Subtitle

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18 "TO INCREASE THE MULTIPLIER FOR EACH YEAR
19 OF CREDITED SERVICE IN APERS AND TO
20 INCREASE THE BENEFIT PAYMENTS TO CURRENT
21 RETIRANTS AND BENEFICIARIES IN PERS. "

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23
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code 24-3-201(e), regarding the amount of the
27 monthly annuity benefits provisions under the Public Employees Retirement
28 System, is amended to read as follows:

29 "(e)(1) Upon a member's retirement, he shall receive an annuity for
30 life equal to the total of the following amounts:

31 (A) For each year of credited service in the Arkansas
32 Public Employees' Retirement System resulting from employment in a position
33 covered at any time by social security or another federal retirement plan
34 supported wholly or in part by employer contributions, one and ~~seventy~~
35 seventy-two hundredths percent ~~(1.70%)~~ (1.72%) of his final average pay plus,
36 for each year of credited service in the Arkansas Public Employees' Retirement

1 System resulting from employment in a position never so covered, two and ~~five~~
2 seven hundredths percent (~~2.05%~~) (2.07%) of his final average pay;

3 (B) For each year of credited service in the State Police
4 Retirement System, one and fifty-five hundredths percent (1.55%) of his final
5 average pay; and

6 (C)(i) For a member of the General Assembly, a monthly
7 annuity equal to thirty-five dollars (\$35.00) times the number of years of
8 actual service as a member of the General Assembly; and

9 (ii) For a member of the General Assembly who served
10 as Speaker of the House of Representatives or President Pro Tempore of the
11 Senate, a monthly annuity equal to forty dollars (\$40.00) times the total
12 number of years of actual service as a member of the General Assembly.

13 (2)(A) In addition, if a member has credited service resulting
14 from employment in a position covered at any time by social security or
15 another federal retirement plan supported wholly or in part by employer
16 contributions, and if that member is retiring as provided in subsections (a)-
17 (d) of this section or § 24-3-207(a), and if that member's age at retirement
18 is younger than:

19 (i) Social security's minimum age for an immediate
20 retirement benefit; and

21 (ii) Age sixty-two (62), then that member of the
22 Arkansas Public Employees' Retirement System shall receive a temporary annuity
23 equal to ~~thirty-five~~ thirty-three hundredths percent (~~0.35%~~) (0.33%) of his
24 final average pay for each year of such credited service.

25 (B) A similar member of the State Police Retirement System
26 shall receive a temporary annuity equal to three hundred twenty-two
27 thousandths percent (0.322%) of his final average pay for each year of
28 credited service.

29 (C) The temporary annuity shall terminate at the end of the
30 calendar month in which the earliest of the following events occurs:

31 (i) The member's death;

32 (ii) His attainment of the social security minimum
33 age; or

34 (iii) His attainment of age sixty-two (62).

35 (3) It is considered sound public policy that retirement
36 pay not exceed working pay except for increases after retirement caused by

1 inflation. Accordingly, at the time of retirement, the total of named plan
2 annuities resulting from employment in a position also covered by social
3 security shall not exceed his final average pay.

4 (4) If no temporary annuity is payable as provided in this
5 subsection, or after such temporary annuity has terminated, and if such member
6 has at retirement any credited service for any period of time prior to July 1,
7 1991, then the future payments of such annuity for life shall not be less than
8 they would have been under the provisions that were in effect on July 1, 1990,
9 for this subsection, plus a corresponding increase for any benefit
10 enhancements that have been enacted since July 1, 1991."

11
12 SECTION 2. Arkansas code § 24-4-601 is amended to read as follows:

13 "24-4-601. Straight life annuity generally.

14 Beginning July 1, ~~1997~~ 1999, any member who retires, as provided in
15 §§ 24-4-507 - 24-4-512, shall receive a straight life annuity equal to two and
16 ~~five~~ seven hundredths percent (~~2.05%~~) (2.07%) of his average compensation
17 multiplied by the number of years, and fraction of a year, of credited service
18 with the Arkansas Public Employees' Retirement System."

19
20 SECTION 3. On July 1, 1999 and thereafter, the monthly benefit payable
21 to the retirants and the beneficiaries of retirants of the Arkansas Public
22 Employees Retirement System who retired before July 1, 1989, shall be
23 increased by an amount equal to one percent (1%) of the benefit payable on
24 June 1, 1999 for each year or portion of a year of retirement prior to July 1,
25 1989.

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27 SECTION 4. In addition to the monthly retirement benefit increase
28 provided in Section 3 of this Act, each retirant and beneficiary of a retirant
29 of the Arkansas Public Employees Retirement System who retired on or before
30 June 1, 1999, shall receive an increase in his or her monthly benefit of fifty
31 dollars (\$50.00).

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33 SECTION 5. No benefit enhancement provided for by this act shall be
34 implemented if it would cause the publicly supported retirement system's
35 unfunded actuarial accrued liabilities to exceed a thirty (30) year
36 amortization. No benefit enhancement provided for by this act shall be

1 implemented by any publicly supported system which has unfunded actuarial
2 accrued liabilities being amortized over a period exceeding thirty (30) years
3 until the unfunded actuarial accrued liability is reduced to a level less than
4 the standards prescribed by Arkansas Code, Title 24."

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6 SECTION 6. All provisions of this Act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

9
10 SECTION 7. If any provision of this Act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the Act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 Act are declared to be severable.

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16 SECTION 8. All laws and parts of laws in conflict with this Act are
17 hereby repealed.

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19 SECTION 9. EMERGENCY CLAUSE. It is hereby found and determined by the
20 Eighty-second General Assembly, that retirement benefits payable to current
21 and future retirants and beneficiaries of the Arkansas Public Employees
22 Retirement System are inadequate; that the current and future retirant and
23 beneficiary payments should be increased as soon as possible in order to
24 relieve this inequity, and that the effective fiscal administration of the
25 System will be aided by implementing those increases at the same time as the
26 state's fiscal year begins. Therefore, in order to promote sound fiscal
27 administration in State government, an emergency is declared to exist and this
28 act being immediately necessary for the preservation of the public peace,
29 health and safety shall become effective on July 1, 1999.

30 /s/ Hopkins

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33 APPROVED: 3/9/1999
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