

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H2/28/03

A Bill

Act 339 of 2003
HOUSE BILL 1216

5 By: Representative R. Smith
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For An Act To Be Entitled

9 AN ACT TO ALLOW THE BOARD OF TRUSTEES OF THE
10 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO
11 CONSIDER IMPLEMENTATION OF A CONTRIBUTORY
12 COMPONENT FOR ARKANSAS PUBLIC EMPLOYEES'
13 RETIREMENT COVERED EMPLOYEES; AND FOR OTHER
14 PURPOSES.
15

Subtitle

16 TO ALLOW THE BOARD OF TRUSTEES OF THE
17 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
18 SYSTEM TO CONSIDER IMPLEMENTATION OF A
19 CONTRIBUTORY COMPONENT FOR ARKANSAS
20 PUBLIC EMPLOYEES' RETIREMENT COVERED
21 EMPLOYEES.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. (a)(1) It shall be considered sound public policy to
28 encourage public employees in the State of Arkansas to participate in the
29 development and growth of their individual retirement benefits.

30 (2) In order that the Arkansas Public Employees' Retirement
31 System continues to maintain a strong funded status while ensuring that
32 benefits provided to the annuitants and beneficiaries of the system maintain
33 a constant purchasing power, it is incumbent upon the Board of Trustees of
34 the Arkansas Public Employees' Retirement System to consider reintroducing
35 employee contributions as a required provision of the plan structure.

36 (b)(1) In accordance with the rules and regulations of the Arkansas



1 Public Employees' Retirement Board of Trustees, there shall be an annual
2 review of the actuarial valuation of the plan as provided by its actuary.

3 (2) During each annual review, the Board of Trustees shall
4 consider the actuarial appropriateness of establishing a contributory
5 component within the system.

6 (3) Issues to be considered are to include, but not be limited
7 to:

8 (A) Mitigating additional increases in the employer
9 contribution rate;

10 (B) The establishment of a tax deferral of employee
11 contributions under Section 414(h) of the Internal Revenue Code of 1986, as
12 in effect on January 1, 2003;

13 (C) The establishment of a time horizon in which current
14 Arkansas Public Employees' Retirement System members may elect contributory
15 status; and

16 (D) The extent of benefit portability.

17 (c)(1) Beginning July 1, 2005, the Board of Trustees of the Arkansas
18 Public Employees' Retirement System shall implement and establish a
19 contributory plan for members of the retirement system.

20 (2) The board shall develop policies and regulations from its
21 conduct of the annual review of the contributory component of the system and,
22 as a minimum, the board's regulations shall provide for:

23 (A) The member contribution rate;

24 (B) The annual multiplier rate for benefits that a
25 contributory member of the system shall receive upon becoming eligible to
26 receive a retirement benefit;

27 (C) The combining of contributory and noncontributory
28 service together to receive a retirement benefit from the system; and

29 (D) Any other contributory qualifications or requirements
30 necessary to implement the contributory plan for the system.

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32 /s/ R. Smith

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35 APPROVED: 3/10/2003