

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 474 of 2003
HOUSE BILL 1125

5 By: Representative R. Smith
6 By: Senator J. Jeffress
7

For An Act To Be Entitled

10 AN ACT TO REVISE THE MILITARY SERVICE CREDIT
11 UNDER THE ARKANSAS LOCAL POLICE AND FIRE
12 RETIREMENT SYSTEM TO MAKE IT COMPLY WITH FEDERAL
13 LAW WHEN MEMBER OF THE SYSTEM IS CALLED TO ACTIVE
14 DUTY IN UNITED STATES ARMED FORCES; AND FOR OTHER
15 PURPOSES.

Subtitle

18 TO REVISE THE MILITARY SERVICE CREDIT
19 UNDER THE ARKANSAS LOCAL POLICE AND FIRE
20 RETIREMENT SYSTEM TO COMPLY WITH FEDERAL
21 LAW.

22
23
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 24-10-502 is amended to read as follows:

27 24-10-502. Military service.

28 (a) In the event of a member who, while an employee, enters the armed
29 forces of the United States during any period of compulsory or voluntary
30 military service, the armed service actually served by him or her shall be
31 ~~credited him or her as service under this subchapter. This shall be done only~~
32 ~~if he or she again becomes an employee within a period of one (1) year from~~
33 ~~and after honorable termination of the armed service actually served by him~~
34 ~~or her and if he or she returns to the Arkansas Local Police and Fire~~
35 ~~Retirement System the amount, if any, he or she may have withdrawn therefrom~~
36 ~~at the time he or she entered or while in the armed services, together with~~

1 ~~regular interest from the date of withdrawal to the date of repayment.~~

2 (b)(1) In any case of doubt as to the period of armed service to be so
3 credited a member under this section, the Board of Trustees of the Arkansas
4 Local Police and Fire Retirement System shall have final power to determine
5 the period.

6 (2) Except for service credited under subsection (d) of this
7 section, no person shall be credited with a total of more than five (5) years
8 of armed service.

9 (c) During the period of armed service and until his or her return as
10 an employee, his or her contributions to the system shall be suspended, and
11 any balance remaining to his or her credit in the system shall be accumulated
12 at regular interest.

13 (d)(1)(A) Under the requirements of Section 4312 of Pub. L. 103-353,
14 the Uniformed Services Employment and Reemployment Act of 1994 in effect
15 October 13, 1996, a member who leaves covered employment to serve in the
16 uniformed services of the United States after giving notice to the employer,
17 and who returns to employment, shall be treated as not having incurred a
18 break in service with the employer.

19 (B) The employer shall certify to the system that
20 reemployment was in accordance with the Section 4312 of Pub. L. 103-353.

21 (2) Under this subsection (d), the uniformed services of the
22 United States are limited to the armed forces of the United States, the Army
23 and Air National Guard when engaged in active duty for training, inactive
24 duty training, or full time National Guard duty, the commissioned corps of
25 the Public Health Service, and any other category of persons designated by
26 the President in time of war or national emergency.

27 (3) The cumulative length of the absence from a position of
28 employment with the employer by reason of service in the uniformed services
29 for which service credit will be given shall not exceed five (5) years.

30 (4) A member whose uniformed service is honorably terminated and
31 who reports for reemployment under this subsection within the time provided
32 in Section 4312 of Pub. L. 103-353 shall be entitled to accrue benefits for
33 the time the member served in the uniformed services by paying the employee
34 contributions required by § 24-10-404, if any, within the time provided in
35 Section 4312 of Pub. L. 103-353, and repaying any amount the member may have
36 previously withdrawn from the system, with interest.

1 (5)(A) An employer reemploying a member under this subsection
 2 shall pay to the system the employer contributions due for the time the
 3 member served in the uniformed services as required by § 24-10-405.

4 (B) However, if a member does not pay the employee
 5 contributions due, then no employer contributions are due.

6 (6) For the purposes of determining the employee and employer
 7 contributions due, the member's compensation during the period of service in
 8 the uniformed services shall be computed at:

9 (A) The rate the member would have received if the member
 10 not served in the uniformed services; or

11 (B) The member's average compensation level during the
 12 twelve (12) month period, or shorter if applicable, immediately preceding the
 13 service.

14 (7) Unless both employee and employer contributions are paid,
 15 the members shall not be entitled to any accrued benefits for the time served
 16 in the uniformed services.

17
 18 SECTION 2. *Arkansas Code § 24-10-510 is repealed.*

19 ~~24-10-510. Service credit for former military personnel.~~

20 ~~Any person who is or was a member of the Arkansas Local Police and Fire~~
 21 ~~Retirement System and who was not receiving benefits under the system on~~
 22 ~~January 1, 1999, shall be entitled to purchase credited service in the system~~
 23 ~~for a period not to exceed two (2) years for service rendered by the member~~
 24 ~~while on active duty in the armed forces of the United States prior to the~~
 25 ~~member's employment covered by the system, but only if:~~

26 ~~(1) The person received an honorable discharge from the armed forces;~~

27 ~~(2) The person is not receiving federal military service retirement~~
 28 ~~pay based upon nineteen (19) or more years of active duty. However,~~
 29 ~~disability federal retirement pay shall not disqualify a member from~~
 30 ~~purchasing credit; and~~

31 ~~(3) The person does the following: If he or she has participated in~~
 32 ~~the system for at least sixteen (16) years or takes medical disability, he or~~
 33 ~~she contributes to the member's deposit account a sum of money equal to the~~
 34 ~~amount of the combined employee and employer contribution made by or on~~
 35 ~~behalf of the member to the system based upon the contributions for the last~~
 36 ~~month of the employee's sixteenth year of service, or if the employee has~~

1 ~~taken medical disability, the last month of the employee's last year of~~
2 ~~service prior to taking disability, multiplied by the number of months of~~
3 ~~military service the member is eligible for and desires to purchase under~~
4 ~~this section with interest thereon at the rate of six percent (6%) per annum~~
5 ~~from the date of eligibility to purchase the service to the date of purchase.~~

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7 /s/ R. Smith

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10 APPROVED: 3/18/2003
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