

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

A Bill

Act 480 of 2003
HOUSE BILL 1197

5 By: Representative R. Smith
6 By: Senator J. Jeffress
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For An Act To Be Entitled

9 AN ACT TO INCREASE THE BENEFIT MULTIPLIERS AND TO
10 REVISE BENEFIT PROGRAMS 1 AND 2 FOR THE ARKANSAS
11 LOCAL POLICE AND FIRE RETIREMENT SYSTEM; AND FOR
12 OTHER PURPOSES.
13
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Subtitle

15 TO INCREASE THE BENEFIT MULTIPLIERS AND
16 REVISE BENEFIT PROGRAMS 1 AND 2 FOR THE
17 LOCAL POLICE AND FIRE RETIREMENT SYSTEM.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-10-602(a)(1)(A), concerning the Benefit
24 Program 1 annuity under the Arkansas Local Police and Fire Retirement System,
25 is amended to read as follows:

26 (A)(i) For each year of paid service resulting from
27 employment in a position not also covered by social security, ~~two and two~~
28 ~~tenths percent (2.2%)~~ two and five-tenths percent (2.5%) of his or her final
29 average pay; plus

30 (ii) For each year of paid service resulting from
31 employment in a position also covered by social security, ~~one and two tenths~~
32 ~~percent (1.2%)~~ one and five-tenths percent (1.5%) of his or her final average
33 pay.
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35 SECTION 2. Arkansas Code § 24-10-602(a)(2), concerning the Benefit
36 Program 2 annuity under the Arkansas Local Police and Fire Retirement System,



1 is amended to read as follows:

2 (2) Benefit Program #2.

3 ~~(A)(i) For each year of paid service resulting from~~
 4 ~~employment in a position not also covered by social security, three percent~~
 5 ~~(3%) of his or her final average pay; plus~~

6 ~~(ii) For each year of paid service rendered on or~~
 7 ~~after the election date of Benefit Program 2 and resulting from employment in~~
 8 ~~a position also covered by social security, two percent (2%) of his or her~~
 9 ~~final average pay.~~

10 ~~(B) For each year of paid service rendered before the~~
 11 ~~election date of Benefit Program 2 and resulting from employment in a~~
 12 ~~position also covered by social security, one percent (1%) of his or her~~
 13 ~~final average pay.~~

14 (A) For each year of paid service rendered on or after the
 15 election date of the Benefit Program 2, and before the election is rescinded:

16 (i) In a position also covered by social security,
 17 two and five-tenths percent (2.5%) of the member's final average salary;

18 (ii) In a position not covered by social security,
 19 three percent (3%) of the member's final average salary;

20 (B)(i) For each year of paid service rendered before the
 21 election date of the Benefit Program 2, or after the election is rescinded:

22 (a) In a position also covered by social
 23 security, one and five-tenths percent (1.5%) of the member's final average
 24 salary;

25 (b) In a position not covered by social
 26 security, two and five-tenths percent (2.5%) of the member's final average
 27 salary.

28 (ii) A member who has paid service rendered before
 29 the election date of Benefit Program 2, or after the election is rescinded
 30 and subsequently readopted, may have the paid service rendered on or after
 31 July 28, 1995, treated as though the paid service had been rendered after the
 32 election date of Benefit Program 2 by paying to the system the actuarial cost
 33 of the increased benefit by a single contribution or by an agreement to pay
 34 an increased rate of contributions, if approved by the board.

35 (iii) For the purposes of this subdivision
 36 (a)(2)(B)(ii), "actuarial cost" means an amount that is the actuarial

1 equivalent of the value of the credited service to be purchased, at the time
 2 of the purchase, as determined by the system's actuary.

3 (C)(i)(a) In addition, if the member is retiring as
 4 provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the
 5 member's age at retirement is less than social security's minimum age for an
 6 unreduced immediate retirement benefit, then the member shall receive a
 7 temporary annuity equal to one percent (1%) of his or her final average pay
 8 for each year of paid service rendered before the election date of Benefit
 9 Program 2 and resulting from employment in a position also covered by social
 10 security.

11 (b) The provisions of this section that allow
 12 a member who retires as provided in § 24-10-607, whose employment was also
 13 covered by social security, and who is thereby eligible for a temporary
 14 annuity, shall be applied retroactively to all persons who retired under
 15 those circumstances on or after October 1, 1989.

16 (ii) The temporary annuity shall terminate at the
 17 end of the calendar month in which the earlier of the following events
 18 occurs:

19 (a) The member's death; or

20 (b) His or her attainment of social security's
 21 minimum age for an immediate unreduced retirement benefit.

22 (iii)(a) As a condition of awarding the temporary
 23 annuity for members retiring under § 24-10-607, the board shall require the
 24 disabled member to file any and all appropriate forms and pleadings with the
 25 Social Security Administration and pursue through the administrative process
 26 a disability determination.

27 (b) Beginning July 1, 2001, any member who has
 28 had a temporary annuity terminated because of an award of disability
 29 retirement under the Social Security Act shall have that temporary annuity
 30 restored.

31 ~~(D) A member who has paid service rendered before the~~
 32 ~~election date of Benefit Program 2 resulting from employment in a position~~
 33 ~~also covered by social security may have the paid service treated as though~~
 34 ~~the paid service had been rendered after the election date of Benefit Program~~
 35 ~~2 by paying to the Arkansas Local Police and Fire Retirement System, by a~~
 36 ~~single contribution or by an increased rate of contributions, as approved by~~

1 ~~the board, the amounts which the member would have contributed under § 24-10-~~
2 ~~404 if the paid service had resulted from employment in a position not also~~
3 ~~covered by social security, together with regular interest to the date of~~
4 ~~payment;~~

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6 SECTION 3. Arkansas Code § 24-10-602(d), concerning the election of
7 benefit programs by the political subdivisions under the Arkansas Local
8 Police and Fire Retirement System, is amended to read as follows:

9 (d)(1) By majority vote of its governing body, each political
10 subdivision may elect from time to time to cover its members who retire in
11 the future under one (1) of the benefit programs provided for in this
12 section.

13 (2) The clerk or secretary of the governing body of the
14 political subdivision shall certify, in a manner and form acceptable to the
15 board, the election of the benefit program to the board within ten (10) days
16 of the vote.

17 (3) The effective date of the political subdivision's benefit
18 program is the first day of the calendar month specified by the governing
19 body, the first day of the calendar month next following receipt by the board
20 of the certification of election of benefit program, or the effective date of
21 the political subdivision's becoming an employer, whichever is the latest
22 date.

23 (4) The election of ~~benefit program may be changed from time to~~
24 ~~time by such a vote, but not more often than biennially~~ Benefit Program 2 may
25 be rescinded only once by the political subdivision.

26 (5) If the changed benefit program provides smaller annuities
27 for life than the benefit program previously in effect, then the changed
28 benefit program shall be applicable only to credited service for employment
29 rendered from and after the effective date of the change.

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32 APPROVED: 3/18/2003
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