

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.
Act 294 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 1159

5 By: Representative Harris
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For An Act To Be Entitled

9 AN ACT CONCERNING THE ARKANSAS LOCAL POLICE AND
10 FIRE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.
11

Subtitle

12 CONCERNING THE ARKANSAS LOCAL POLICE AND
13 FIRE RETIREMENT SYSTEM.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 24-10-602(a), concerning filings with the
20 Social Security Administration, is amended to read as follows:

21 (a) Upon a member's retirement, he or she shall receive an annuity for
22 life in accordance with the applicable benefit program elected by his or her
23 employer, as follows:

24 (1) Benefit Program 1.

25 (A) For each year of paid service resulting from
26 employment:

27 (i) In a position not also covered by social
28 security, two and seven-tenths percent (2.7%) of his or her final average
29 pay; and

30 (ii) In a position also covered by social security,
31 one and seven-tenths percent (1.7%) of his or her final average pay.

32 (B)(i)(a) In addition, if the member is retiring as
33 provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the
34 member's age at retirement is less than social security's minimum age for an
35 immediate unreduced retirement benefit, then the member shall receive a



1 temporary annuity equal to one percent (1%) of his or her final average pay
2 for each year of paid service resulting from employment in a position also
3 covered by social security.

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

9 (ii) The temporary annuity shall terminate at the
10 end of the calendar month in which the earlier of the following events
11 occurs:

12 (a) The member's death; or

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

15 ~~(iii)(a) As a condition of awarding the temporary~~
16 ~~annuity for members retiring under § 24-10-607, the Board of Trustees of the~~
17 ~~Arkansas Local Police and Fire Retirement System shall require the disabled~~
18 ~~member to file all appropriate forms and pleadings with the Social Security~~
19 ~~Administration and pursue through the administrative process a disability~~
20 ~~determination.~~

21 ~~(b) Beginning July 1, 2001, any Any member who~~
22 ~~has had a temporary annuity terminated because of an award of disability~~
23 ~~retirement under the Social Security Act shall have that temporary annuity~~
24 ~~restored.~~

25 (2) Benefit Program 2.

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

28 (i) In a position also covered by social security,
29 two and six-tenths percent (2.6%) of the member's final average salary; and

30 (ii) In a position not covered by social security,
31 three and one-tenth percent (3.1%) of the member's final average salary.

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

34 (a) In a position also covered by social
35 security, one and seven-tenths percent (1.7%) of the member's final average
36 salary; and

1 (b) In a position not covered by social
 2 security, two and seven-tenths percent (2.7%) of the member's final average
 3 salary.

4 (ii) A member who has paid service rendered before
 5 the election date of Benefit Program 2 or after the election is rescinded and
 6 subsequently readopted may have the paid service rendered on or after July
 7 28, 1995, treated as though the paid service had been rendered after the
 8 election date of Benefit Program 2 by paying to the system the actuarial cost
 9 of the increased benefit by a single contribution or by an agreement to pay
 10 an increased rate of contributions if approved by the board.

11 (iii) As used in subdivision (a)(2)(B)(ii) of this
 12 section, "actuarial cost" means an amount that is the actuarial equivalent of
 13 the value of the credited service to be purchased at the time of the
 14 purchase, as determined by the system's actuary.

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

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

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

- 31 (a) The member's death; or
- 32 (b) His or her attainment of social security's
 33 minimum age for an immediate unreduced retirement benefit.

34 ~~(iii)(a) As a condition of awarding the temporary~~
 35 ~~annuity for members retiring under § 24-10-607, the board shall require the~~
 36 ~~disabled member to file all appropriate forms and pleadings with the Social~~

1 ~~Security Administration and pursue through the administrative process a~~
2 ~~disability determination.~~

3 ~~(b) Beginning July 1, 2001, any~~ Any member who
4 has had a temporary annuity terminated because of an award of disability
5 retirement under the Social Security Act shall have that temporary annuity
6 restored.

7 (3) As used in subdivisions (a)(1) and (2) of this section,
8 social security's minimum age for an immediate unreduced retirement benefit
9 means one (1) of the following:

10 (A) If the member is retiring as provided in § 24-10-607
11 and is in receipt of a disability benefit under the Social Security Act, the
12 age when the social security disability benefit becomes effective;

13 (B) If the member's retirement is effective before July 1,
14 2001, as provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607,
15 age sixty-two (62); or

16 (C) If the member's retirement is effective on or after
17 July 1, 2001, as provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-
18 10-607, the minimum age for the member's receipt of an immediate unreduced
19 social security old age benefit;

20 (4)(A) The total benefit amount computed under subdivision
21 (a)(1) of this section shall not exceed at the time of retirement eighty
22 percent (80%) of the final average pay plus the amounts provided in
23 subdivision (a)(5) of this section for volunteer service.

24 (B) If the member accrued a benefit at any time under
25 Benefit Program 2 described in subdivision (a)(2) of this section, then the
26 total of the amounts computed pursuant to subdivisions (a)(1) and (2) of this
27 section shall not exceed at the time of retirement eighty-five percent (85%)
28 of the final average pay plus the amounts provided in subdivision (a)(5) of
29 this section for volunteer service;

30 (5)(A) For retirements effective before July 1, 2003, annuity
31 amounts based upon volunteer service shall be in accordance with system
32 provisions in force before July 1, 2003.

33 (B)(i) For retirements effective July 1, 2003, and the
34 twelve (12) calendar months thereafter, the monthly annuity amount for each
35 year of volunteer service shall be five dollars (\$5.00), to a maximum of two
36 hundred dollars (\$200) monthly for all volunteer service.

1 (ii) For retirements effective in the twelve (12)
2 calendar months beginning July 1 thereafter, the monthly annuity amount for
3 each year of volunteer service shall be five dollars (\$5.00), increased by
4 any percentage increase in the inflation index for the period from December
5 2003 to the December immediately preceding the July 1, to a maximum for all
6 volunteer service of two hundred dollars (\$200) monthly, similarly increased
7 by any percentage increase in the inflation index.

8
9 SECTION 2. Arkansas Code § 24-10-611 is amended to read as follows:
10 24-10-611. Termination of covered employment.

11 (a) A member who terminates covered employment before attaining his or
12 her normal retirement age, for a reason other than death, early retirement,
13 or disability retirement, shall be entitled to an annuity computed in
14 accordance with the provisions of this section, as it provides at the time of
15 the last termination of covered employment, subject to the member's
16 satisfying all of the following conditions:

17 (1) The member has five (5) years of credited service;

18 (2) The member lives to his or her annuity starting date;

19 (3) The member makes written application for retirement and
20 payment of the annuity to the Arkansas Local Police and Fire Retirement
21 System on or after the date which is six (6) months before the date he or she
22 attains his or her normal retirement age; and

23 (4) The annuity starting date shall be the first day of the
24 calendar month next following the later of:

25 (A) The date the member attains his or her normal
26 retirement age; and

27 (B) The date the written application is received by the
28 system.

29 (b)(1) The monthly amount of a vested termination annuity shall be
30 computed in the same manner as a normal annuity amount provided for in § 24-
31 10-602, but based upon his or her credited service and final average pay at
32 the time of termination of covered employment.

33 (2) If the effective date of the annuity is at least twelve (12)
34 full months after termination, an amount of final average pay usable for the
35 purposes of this section shall be redetermined.

36 (3) The redetermined amount shall be the amount of final average

1 pay at the time of termination of covered employment increased by one-half
 2 (1/2) of any percentage increase in the inflation index for the period from
 3 ~~the month~~ three (3) months immediately preceding the termination to ~~the month~~
 4 three (3) months immediately preceding the annuity effective date.

5 (4) He or she shall have the right to elect an option provided
 6 for in § 24-10-603.

7
 8 SECTION 3. Arkansas Code § 24-10-301 is amended to read as follows:
 9 24-10-301. Generally.

10 (a) The membership of the Arkansas Local Police and Fire Retirement
 11 System shall include the following persons:

12 (1) If his or her employer had its firefighters covered by a
 13 relief fund on the operative date, each person first employed as a
 14 firefighter on or after the operative date shall become a member of this
 15 system and not be a member of the relief fund;

16 (2) If his or her employer had its police officers covered by a
 17 relief fund on the operative date, each person first employed as a police
 18 officer on or after the operative date shall become a member of this system
 19 and not be a member of the relief fund;

20 (3) If his or her employer did not have its firefighters covered
 21 by a relief fund on the operative date, all persons employed as firefighters
 22 on the date the employer covers firefighters under this subchapter shall
 23 become members of the system as of that date, and each person first employed
 24 as a firefighter thereafter shall become a member upon employment; and

25 (4) If his or her employer did not have its police officers
 26 covered by a relief fund on the operative date, all persons employed as
 27 police officers on the date the employer covers police officers under this
 28 subchapter shall become members of the system as of that date, and each
 29 person first employed as a police officer thereafter shall become a member
 30 upon employment.

31 (b) In any case of question as to the system membership status of any
 32 person, the Board of Trustees of the Arkansas Local Police and Fire
 33 Retirement System shall decide the question.

34 (c)~~(1)~~ When covering a person first employed in paid service as a
 35 firefighter or police officer on or after July 1, 1985, the employer shall
 36 require an employment physical examination of the employee, under criteria

1 established by the board.

2 ~~(2) The employer shall submit a copy of the examination to the~~
3 ~~system within thirty (30) days of the date of hire.~~

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APPROVED: 3/16/2007

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