

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A BILL ACT 208 OF 1991

HOUSE BILL 1659

4 **By: Representatives Maddox, Foster, McGinnis, McCuiston, B. Wood, Cunningham, King,**
5 **Dawson, Stephens, Bryan, S. Miller, Hendrix, Brown, Collier, Flanagin, Baker, Shaver,**
6 **Murphy, D. Wood, Purdom, Sanson, D. Roberts, Holland and Day**

7
8
9

For An Act To Be Entitled

10 "AN ACT TO AMEND TITLE 24, CHAPTER 3, SUBCHAPTERS 1, 2 AND
11 3 OF THE ARKANSAS CODE OF 1987 TO CHANGE RETIREMENT
12 ELIGIBILITY FOR CERTAIN MEMBERS OF THE ARKANSAS PUBLIC
13 EMPLOYEES' RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

14

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

16

17 SECTION 1. Subsection (8) of Arkansas Code §24-3-102 is hereby amended
18 to read as follows:

19 "(8) 'Final average pay' means the average of the highest annual
20 compensations paid a member during any period of sixty (60) calendar months of
21 credited service with a public employer. Should a member have less than sixty
22 (60) calendar months of credited service, 'final average pay' means the
23 monthly average of pay to him during his total years of credited service. Any
24 other provision to the contrary notwithstanding, if a member's rate of pay is
25 set by the Arkansas Constitution, Amendment 56, §2, then the member's 'final
26 average pay' shall not be less than his monthly rate of pay at time of
27 separation from covered employment."

28

29 SECTION 2. Paragraph (B) of Subsection (9) of Arkansas Code §24-3-102
30 is hereby amended to read as follows:

31 "(B) If the provisions of 24-3-301(b) are used to determine any portion
32 of total credited service, then the age upon completion of thirty-five (35)
33 years of credited service, but in no event to an age younger than fifty-five
34 (55) years."

35

1 SECTION 3. Subsection (9) of Arkansas Code §24-3-102 is hereby amended
2 by adding a new paragraph to read as follows:

3 "(E) For members of the General Assembly with twelve (12) years of
4 actual service, ten (10) of which must be as a member of the General Assembly,
5 at age fifty-five (55). Members of the General Assembly who were either
6 serving in the General Assembly on July 1, 1979, or held an elected office on
7 July 1, 1979, shall be eligible to retire with seventeen and a half (17 1/2)
8 years of actual service regardless of age."

9

10 SECTION 4. Subsection (e) of Arkansas Code §24-3-201 is hereby amended
11 to read as follows:

12 "(e)(1) Beginning July 1, 1991, upon a member's retirement, he shall
13 receive an annuity for life equal to the total of the following amounts: For
14 each year of credited service resulting from employment in a position covered
15 at any time by social security or another federal retirement plan supported
16 wholly or in part by employer contributions, one and fifty-five hundredths
17 percent (1.55%) of his final average pay plus, for each year of credited
18 service resulting from employment in a position never so covered, one and
19 eight hundred, seventy-two thousandths percent (1.872%) of his final average
20 pay. For a member of the General Assembly, a monthly annuity equal to thirty-
21 five dollars (\$35.00) times the number of years of actual service as a member
22 of the General Assembly. For a member of the General Assembly who served as
23 Speaker of the House of Representatives or President Pro Tem of the Senate, a
24 monthly annuity equal to forty dollars (\$40.00) times the total number of
25 years of actual service as a member of the General Assembly.

26 (2) In addition, if a member has credited service resulting from
27 employment in a position covered at any time by social security or another
28 federal retirement plan supported wholly or in part by employer contributions,
29 and if that member is retiring as provided in subsections (a)-(d) of this
30 section or 24-3-207(a), and if that member's age at retirement is younger
31 than:

32 (A) Social security's minimum age for an immediate
33 retirement benefit; and

34 (B) Age sixty-two (62), then that member shall receive a
35 temporary annuity equal to three hundred, twenty-two thousandths percent

1 (0.322%) of his final average pay for each year of such credited service.

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

4 (A) The member's death; or

5 (B) His attainment of the social security minimum age; or

6 (C) His attainment of age sixty-two (62).

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

13 (5) It is considered sound public policy that retirement pay not
14 exceed working pay, except for increases after retirement caused by inflation;
15 accordingly, at time of retirement, the total of named plan annuities
16 resulting from employment in a position also covered by social security, plus
17 his social security primary benefit, shall not exceed his final average pay."
18

19 SECTION 5. Subsection (h) of Arkansas Code §24-3-209 is hereby amended
20 to read as follows:

21 "(h) (1) The surviving spouse of a member who has served at least ten
22 (10) calendar years in the General Assembly shall be entitled to a benefit not
23 less than one hundred percent (100%) of the benefit the member was receiving
24 or would have been entitled to receive had he been of retirement age.

25 (2) The spouse shall begin to receive the survivor benefits
26 provided in this section at age sixty (60) years if the member had at least
27 ten (10) actual years of General Assembly service, at age fifty-five (55)
28 years if the member had at least fourteen (14) actual years of General
29 Assembly service, and at age fifty (50) years if the member had at least
30 eighteen (18) actual years of General Assembly service.

31 (3) The benefits shall cease immediately upon the death or
32 remarriage of the surviving spouse.

33 (4) If, upon the death of a member of the General Assembly, the
34 surviving spouse is also eligible for the benefits provided in subsections (a)
35 -- (g) of this section, then the benefits provided by this subsection shall be

1 the only benefit payable to the survivors of the member or former member.

2 (5) The provisions of this subsection shall apply to active,
3 deferred, and retired General Assembly members."

4

5 SECTION 6. A member of the General Assembly who at any time has served
6 at least six (6) months during a two-year term to the General Assembly, shall
7 be credited with no more than one (1) year actual service.

8

9 SECTION 7. All provisions of this act of a general and permanent nature
10 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
11 Revision Commission shall incorporate the same in the Code.

12

13 SECTION 8. If any provision of this act or the application thereof to
14 any person or circumstance is held invalid, such invalidity shall not affect
15 other provisions or applications of the act which can be given effect without
16 the invalid provision or application, and to this end the provisions of this
17 act are declared to be severable.

18

19 SECTION 9. All laws and parts of laws in conflict with this act are
20 hereby repealed.

21

22

23

APPROVED: 2-20-91

24

25

26

27

28

29

30