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| 2 | 78th General Assembly A BILLACT 757 OF 1993 |
| 3 | Regular Session, 1991 HOUSE BILL 1061 |
| 4 | By: Representative B. Wood |
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| 7 | For An Act To Be Entitled |
| 8 | "AN ACT TO AMEND TITLE 24, CHAPTER 4, SUBCHAPTER 5 OF THE |
| 9 | ARKANSAS CODE OF 1987, TO PROVIDE SERVICE CREDIT TO |
| 10 | EMPLOYEES WHO WORK LESS THAN FULL TIME; AND FOR OTHER |
| 11 | PURPOSES." |
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| 13 | BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: |
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| 15 | SECTION 1. Arkansas Code §24-4-507(a) is hereby amended to read as |
| 16 | follows: |
| 17 | "(a)(1) The board shall determine, by appropriate rules and regulations |
| 18 | consistent with the provisions of this act, the amount of service to be |
| 19 | credited any member for any fiscal year. |
| 20 | (2)(A) For periods of time prior to July 1, 1991, in no case |
| 21 | shall less than ten (10) days of service rendered by a member in any calendar |
| 22 | month be credited as a month of service; nor shall less than eleven (11) |
| 23 | months of service rendered by a member in any fiscal year be credited as a |
| 24 | year of service unless the member is employed by the state blind and deaf |
| 25 | schools, the state colleges and universities, and the public schools of the |
| 26 | state in which case nine (9) months would constitute a year of credited |
| 27 | service. |
| 28 | (B) For periods of time prior to July 1, 1991, in no case |
| 29 | can less than nine (9) months of service rendered in any fiscal year be |
| 30 | credited as a full year of service. |
| 31 | (3) (A) Beginning July 1, 1992, and thereafter, service rendered |
| 32 | by a member in any calendar month shall be credited as service based upon the |
| 33 | member's number of hours of service in such month and in accordance with the |
| 34 | following schedule: |
| 35 | 80 or more hours of service one month |
| 36 | 60 hours up to less than 80 hours three/fourths month |

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1 40 hours up to less than 60 hours one-half month 20 hours up to less than 40 hours one-quarter month 2. 3 less than 20 hours no credit (B) Beginning July 1, 1991, in no case shall less than 5 eleven (11) months of service rendered by a member in any fiscal year be 6 credited as a full year of service, except that such minimum shall be lowered 7 to nine (9) months for a member whose covered employment is employment with 8 the state blind and deaf schools, the state colleges and universities, and the 9 public schools. Prior service credits shall not be granted to any member who 10 11 did not become a member of the system on the date his public employer became a 12 participating public employer, nor shall current service credit be granted any 13 member for any period of time not covered by accumulated contributions 14 standing to his credit in the members deposit account, except as otherwise 15 provided in this act." 16 17 SECTION 2. Arkansas Code §24-4-101(7)(A) is hereby amended to read as 18 follows: 19 "(7)(A) 'Employees' means all officers and employees of any office, 20 agency, board, commission, or department of a public employer whose 21 compensations were, or are, payable from funds appropriated by the public 22 employer and all otherwise eligible employees whose compensations were, or 23 are, payable in whole or part from federal funds, as well as the official 24 court reporters and stenographers of the circuit and chancery courts of the 25 state and all of the prosecuting attorneys of the judicial districts of In addition, the term 'employees' shall, effective July 1, 1983, 26 Arkansas. 27 include those persons who are eligible for benefits from the Teachers 28 Insurance and Annuity Association (TIAA) but who are otherwise eligible for 29 participation in the system due to employment with a public employer; however, 30 the term 'employees' shall not include those persons who are receiving or who 31 begin receiving TIAA benefits while still participating in the system; Any person who has heretofore been denied coverage under the system due 32 33 to the fact that the person was eligible for benefits from a local firemen's 34 or policemen's pension fund or TIAA shall, from the dates of February 11, 35 1976, and July 1, 1983, respectively become a member of the system if in an

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1 otherwise eligible position due to his employment with a public employer and

- 2 may, at the employee's option, receive credit for service rendered to a
- 3 participating public employer before that date, subject to the following
- 4 conditions:
- 5 (i) The person is a participating employee covered under the
- 6 system at the time of the purchase; or, if not participating in the system,
- 7 the person shall be eligible to purchase the service if the person was in an
- 8 otherwise eligible position on July 1, 1982, and all contributions and
- 9 interest were received by the system before January 1, 1984; and
- 10 (ii) The member pays, or causes to be paid, all employer or
- 11 employee contributions at the rate and based on the compensation received by
- 12 the persons during the period of time when the service was rendered, together
- 13 with interest of six percent (6%) per annum, compounded annually from the date
- 14 the service was rendered to the date payment is received by the system. The
- 15 member may purchase all of the service or any portion thereof in multiples of
- 16 one (1) year;
- 17 (iii) The payment of funds shall be made in one (1) lump sum;
- 18 Any person who has heretofore been denied coverage under the system due
- 19 to the fact that the person was or is paid from a grant instead of funds
- 20 appropriated by the public employer, shall from July 1, 1991 become a member
- 21 of the system if in an otherwise eligible position due to his being an
- 22 employee of a public employer, and a member may at his option receive credit
- 23 for service rendered before that date as an employee paid from a grant,
- 24 subject to the following conditions:
- 25 (i) The member is a participating employee covered under the
- 26 system at the time of the purchase; and
- 27 (ii) The member furnishes proof, in a form required by the
- 28 system, of the service and compensation received; and
- 29 (iii) The member pays, or causes to be paid, all employee and
- 30 employer contributions at the rate and based on the compensation received by
- 31 the member during the period of time when the service was rendered, together
- 32 with interest of six percent (6%) per annum, compounded annually from the date
- 33 the service was rendered to the date payment is received by the system. The
- 34 member may purchase all of the service or any portion thereof in multiples of
- 35 one (1) year; and

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| 1 | (iv) The payment of funds shall be made in one (1) lump sum." |
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| 3 | SECTION 3. All provisions of this act of a general and permanent nature |
| 4 | are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code |
| 5 | Revision Commission shall incorporate the same in the Code. |
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| 7 | SECTION 4. If any provision of this Act or the application thereof to |
| 8 | any person or circumstance is held invalid, such invalidity shall not affect |
| 9 | other provisions or applications of the Act which can be given effect without |
| 10 | the invalid provision or application, and to this end the provisions of this |
| 11 | Act are declared to be severable. |
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| 13 | SECTION 5. All laws and parts of laws in conflict with this act are |
| 14 | hereby repealed. |
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| 16 | SECTION 6. EMERGENCY. It is hereby found and determined by the Seventy- |
| 17 | Eighth General Assembly that the effectiveness of this act on July 1, 1991 is |
| 18 | essential to the operation of the state agencies and the Arkansas Public |
| 19 | Employees' Retirement System; that in the event of an extension of the Regular |
| 20 | Session, the delay in the effective date of this act beyond July 1, 1991 could |
| 21 | work irreparable harm upon the proper administration and provision of |
| 22 | essential governmental programs. Therefore, an emergency is hereby declared to |
| 23 | exist and this act being necessary for the immediate preservation of the |
| 24 | public peace, health and safety shall be in full force and effect from and |
| 25 | after July 1, 1991. |
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| 27 | /s/B. Wood |
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| 29 | APPROVED: 3/26/91 |
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