

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
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As Engrossed: S2/3/99 S2/8/99 S2/9/99 S2/12/99

A Bill

Act 535 of 1999
SENATE BILL 41

5 By: Senator Hopkins
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 24-4-803 TO AMEND THE
10 DEFERRED RETIREMENT OPTION PLAN CONTRIBUTION PROVISION
11 FOR THE ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM;
12 TO DECLARE AND EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

14 "TO AMEND THE PERS DROP CONTRIBUTION
15 PROVISION."
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code 24-4-803 is amended to read as follows:

22 "24-4-803. Amount of benefit - Amount of contribution - Interest.

23 (a) The member's deferred benefit shall be the monthly benefit to which
24 the member would have been entitled if the member had actually retired on the
25 member's deferred retirement option date with regard to the provisions of
26 § 24-3-203 related to annuity options.

27 (b) The member's deferred option account shall be the account in which
28 shall be accumulated the member's deferred option contributions, plus
29 interest. Effective July 1, 1999, The the PERS-deferred option contributions
30 shall be a percentage at least seventy-five percent (75%) of the PERS-
31 deferred option benefit with the exact contribution to be determined in
32 accordance with the rules and regulations of the PERS Board of Trustees as is
33 actuarially appropriate for the system. The percentage is one hundred percent
34 (100%) of the benefit reduced by a set percentage to be determined in
35 accordance with the rules and regulations of the PERS Board of Trustees as
36 appropriate to maintain a goal of zero cost to the system. The contribution

1 ~~amount shall be as calculated by the PERS Board of Trustees. After the~~
2 ~~contribution is calculated, the~~ The member shall be informed of the amount of
3 his deferred option contribution and informed that his selection of the
4 deferred retirement option, the time of the retirement deferral, and the
5 selection of the retirement annuity are irrevocable.

6 (c) The interest on contributions to the member's deferred option
7 account shall be credited to the individual account balance of the member on
8 an annual basis at the end of each fiscal year. The PERS Board of Trustees
9 shall determine the rate of interest to be credited to each member's deferred
10 option account ~~with interest to be paid on the mean balance in the account for~~
11 ~~the fiscal year."~~

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13 SECTION 2. No benefit enhancement provided for by this act shall be
14 implemented if it would cause the publicly supported retirement system's
15 unfunded actuarial accrued liabilities to exceed a thirty (30) year
16 amortization. No benefit enhancement provided for by this act shall be
17 implemented by any publicly supported system which has unfunded actuarial
18 accrued liabilities being amortized over a period exceeding thirty (30) years
19 until the unfunded actuarial accrued liability is reduced to a level less than
20 the standards prescribed by Arkansas Code, Title 24.

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22 SECTION 3. All provisions of this Act of a general and permanent nature
23 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
24 Revision Commission shall incorporate the same in the Code.

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26 SECTION 4. If any provision of this Act or the application thereof to
27 any person or circumstance is held invalid, such invalidity shall not affect
28 other provisions or applications of the Act which can be given effect without
29 the invalid provision or application, and to this end the provisions of this
30 Act are declared to be severable.

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32 SECTION 5. All laws and parts of laws in conflict with this Act are
33 hereby repealed.

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35 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
36 Eighty-second General Assembly, that the exact percentage of the DROP

1 contribution for the Arkansas Public Employees Retirement System should be
2 specified in the law and for the effective administration of the System in
3 this act must be effective at the beginning of the fiscal year because
4 computations are made at the beginning of the fiscal year. Therefore, an
5 emergency is declared to exist and this act being immediately necessary for
6 the preservation of the public peace, health and safety shall become effective
7 on July 1, 1999.

8 /s/ Hopkins

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11 APPROVED: 3/11/1999
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