

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 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S3/6/01 S3/22/01

A Bill

Act 1297 of 2001
SENATE BILL 26

5 By: Senator J. Jeffress
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-4-510 TO REDUCE
10 THE EARLY RETIREMENT PENALTIES FOR MEMBERS OF THE
11 PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO DECLARE
12 AN EMERGENCY; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO REDUCE THE EARLY RETIREMENT PENALTIES
15 FOR MEMBERS OF THE PUBLIC EMPLOYEES'
16 RETIREMENT SYSTEM.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 *SECTION 1. Arkansas Code 24-4-510(a)(2), as amended by Act 151 of 2001,*
23 *concerning early and deferred annuities in the Public Employees' Retirement*
24 *System, is amended to read as follows:*

25 *(2)(A) Upon early retirement, a member shall receive a certain*
26 *percentage of an annuity for life provided for in § 24-4-601, which percentage*
27 *shall be one hundred percent (100%) reduced by one-half of one percent (0.5%)*
28 *multiplied by the number of months by which his age at early retirement is*
29 *younger than his normal retirement age, using what his normal retirement age*
30 *would have been under the provisions of § 24-4-508 if he had continued covered*
31 *employment from the time of early retirement.*

32 *(B) However, if the member or former member has at least*
33 *twenty-five (25) years of actual service, but less than twenty-eight (28)*
34 *years of actual service, and has not reached age sixty-five (65), then upon*
35 *early retirement, the member shall receive a percentage of a life annuity as*
36 *provided in § 24-4-601, which percentage shall be one hundred percent (100%)*

reduced by one percent (1%) multiplied by the number of months by which the time of early retirement precedes the earlier of either the completion of twenty-eight (28) years of actual service or the attainment of age sixty five (65). If the reduction set forth under this subdivision (a)(2)(B) is greater than the reduction that would have otherwise been imposed except for this subdivision (a)(2)(B), then the lesser reduction shall apply.

SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall be implemented if it would cause the publicly supported retirement system's unfunded actuarial accrued liabilities to exceed a thirty (30) year amortization. No benefit enhancement provided for by this act shall be implemented by any publicly supported system which has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial accrued liability is reduced to a level less than the standards prescribed by Arkansas Code, Title 24.

SECTION 3. Emergency Clause. It is hereby found and determined by the Eighty-third General Assembly that early retirement penalties for the Public Employees' Retirement System are overly harsh, that incentives for public employees to retire will improve staff morale and the working environment, and that the beginning of the fiscal year is the most advantageous time to implement benefit changes with the Public Employees' Retirement System. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on July 1, 2001.

/s/ J. Jeffress

APPROVED: 4/5/2001