

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: S2/13/01

A Bill

Act 355 of 2001
SENATE BILL 72

5 By: Senator Faris
6
7

For An Act To Be Entitled

9 AN ACT TO INCREASE THE BENEFIT MULTIPLIER FOR EACH
10 YEAR OF PAST SERVICE IN THE ARKANSAS PUBLIC
11 EMPLOYEES' RETIREMENT SYSTEM; TO PROVIDE FOR AN
12 INCREASE IN BENEFIT PAYMENTS TO CURRENT RETIRANTS AND
13 BENEFICIARIES OF THE ARKANSAS PUBLIC EMPLOYEES'
14 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
15 OTHER PURPOSES.
16

Subtitle

17 AN ACT TO INCREASE THE SERVICE
18 MULTIPLIER AND BENEFITS TO CURRENT
19 RETIRANTS AND BENEFICIARIES.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 *SECTION 1. Arkansas Code 24-4-601, as amended by Act 151 of 2001, is*
26 *amended to read as follows:*

27 *24-4-601. Straight life annuity generally.*

28 *(a) (1) Beginning July 1, 1999 July 1, 2001, any member who retires, as*
29 *provided in § 24-4-508, or § 24-4-510 - 24-4-512, shall receive a straight*
30 *life annuity for each year of contributory service credit equal to two and*
31 *seven hundredths percent (2.07%) of his final average compensation multiplied*
32 *by the number of years and fraction of a year of credited service rendered on*
33 *or after July 1, 2001 with the Arkansas Public Employees' Retirement System.*

34 *(2) Beginning July 1, 2001, any member who retires, as provided*
35 *in §§ 24-4-508, 24-4-510 - 24-4-512, shall receive a straight life annuity*
36 *for each year of contributory service credit equal to two and eleven*

1 hundredths percent (2.11%) of his average compensation multiplied by the
 2 number of years and fraction of a year of credited service rendered before
 3 July 1, 2001 with the Arkansas Public Employees' Retirement System.

4 (b)(1) For each year of noncontributory service in the Arkansas Public
 5 Employees' Retirement System rendered prior to July 1, 2001 resulting from
 6 employment in a position covered at any time by social security or another
 7 federal retirement plan supported wholly or in part by employer
 8 contributions, ~~one and seventy-two hundredths percent (1.72%)~~ one and
 9 seventy-five hundredths percent (1.75%) of his final average compensation
 10 plus, for each year of noncontributory credited service in the Arkansas
 11 Public Employees' Retirement System rendered prior to July 1, 2001 resulting
 12 from employment in a position never so covered, ~~two and seven hundredths~~
 13 percent (2.07%) two and eleven hundredths percent (2.11%) of his final
 14 average compensation;

15 (2) For each year of credited service in the Arkansas Public
 16 Employees' Retirement System rendered after June 30, 2001 resulting from
 17 employment in a position covered at any time by social security or another
 18 federal retirement plan supported or in part by employer contributions, one
 19 and seventy-two hundredths percent (1.72%) of his final average compensation
 20 plus, for each year of credited service in the Arkansas Public Employees'
 21 Retirement System rendered after June 30, 2001 resulting from employment in a
 22 position never so covered, two and seven hundredths percent (2.07%) of his
 23 final average compensation.

24 (c)(1) For a member of the General Assembly first elected before July
 25 1, 1999, a monthly annuity equal to thirty-five dollars (\$35.00) times the
 26 number of years of actual service as a member of the General Assembly; and

27 (2) For a member of the General Assembly first elected before
 28 July 1, 1999 who served as Speaker of the House of Representatives or
 29 President Pro Tempore of the Senate, a monthly annuity equal to forty dollars
 30 (\$40.00) times the total number of years of actual service as a member of the
 31 General Assembly.

32 (d)(1) In addition, if a member has credited service resulting from
 33 employment in a position covered at any time by social security or another
 34 federal retirement plan supported wholly or in part by employer
 35 contributions, and if that member is retiring as provided in subsections (b)
 36 of this section or § 24-4-510, and if that member's age at retirement is

1 younger than:

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

4 (B) Age sixty-two (62), then that member of the Arkansas
5 Public Employees' Retirement System shall receive a temporary annuity equal
6 to thirty-three hundredths percent (0.33%) of his final average compensation
7 for each year of such noncontributory credited service.

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

10 (A) The member's death;

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

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

13 (3) 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 the time of retirement, the total of the system's
16 noncontributory annuities resulting from employment in a position also
17 covered by social security shall not exceed his final average compensation.

18 (4) If no temporary annuity is payable as provided in this
19 subsection or after the temporary annuity has terminated, and if the member
20 has at retirement any credited service for any period of time prior to July
21 1, 1991, then the future payments of the annuity for life shall not be less
22 than they would have been under the provisions that were in effect on July 1,
23 1990 for this subsection, plus a corresponding increase for any benefit
24 enhancements that have been enacted since July 1, 1991.

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26 SECTION 2. Increase in benefits.

27 (a) On July 1, 2001, the monthly retirement benefit payable to
28 retirants and beneficiaries of the Arkansas Public Employees' Retirement
29 System, who retired on or before June 1, 2001, shall be increased by one and
30 seven tenths percent (1.7%) of the benefit payable on June 1, 2001.

31 (b) The increase in benefits provided above shall be added to the
32 monthly benefit after the annual post retirement increase.

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34 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
35 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall
36 be implemented if it would cause the publicly supported retirement system's

1 unfunded actuarial accrued liabilities to exceed a thirty (30) year
2 amortization. No benefit enhancement provided for by this act shall be
3 implemented by any publicly supported system which has unfunded actuarial
4 accrued liabilities being amortized over a period exceeding thirty (30) years
5 until the unfunded actuarial accrued liability is reduced to a level less
6 than the standards prescribed by Arkansas Code, Title 24.

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8 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
9 Eighty-third General Assembly that for the effective administration of this
10 act and to avoid undue harm to the members and benefit recipients of the
11 Arkansas Public Employees' Retirement System this act should become effective
12 on July 1, 2001. Therefore, an emergency is declared to exist and this act
13 being immediately necessary for the preservation of the public peace, health,
14 and safety shall become effective on July 1, 2001.

15 */s/ Fari s*

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18 APPROVED: 2/22/2001
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