

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 87th General Assembly  
3 Regular Session, 2009

# A Bill

SENATE BILL 138

4  
5 By: Senator Faris  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT TO COMBINE THE STATE POLICE RETIREMENT  
10 SYSTEM WITH THE ARKANSAS PUBLIC EMPLOYEES'  
11 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.  
12

## Subtitle

13  
14 TO COMBINE THE STATE POLICE RETIREMENT  
15 SYSTEM WITH THE ARKANSAS PUBLIC  
16 EMPLOYEES' RETIREMENT SYSTEM.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code Title 24, Chapter 4, Subchapter 1 is amended  
22 to add an additional section to read as follows:

23 24-4-109. Implementation of combining retirement systems.

24 (a)(1) Beginning July 1, 2009, but no later than July 1, 2010, the  
25 State Police Retirement System and the Arkansas Public Employees Retirement  
26 System shall merge their respective investment programs into a combined  
27 program.

28 (2) The merger shall ensure a strong funded status while  
29 ensuring that benefits provided to the annuitants and beneficiaries of the  
30 retirement systems maintain sufficient liquidity to provide benefits in  
31 accordance with Arkansas law.

32 (3) The board of trustees of both retirement systems shall  
33 retain control of their respective asset allocations and current  
34 implementation until July 1, 2011.

35 (4)(A) On and after July 1, 2011, an independent investment  
36 board shall be established to provide oversight of the combined investments.



1 (B)The independent investment board shall consist of:

2 (i) Four (4) representatives from the Board of  
 3 Trustees of the State Police Retirement System;

4 (ii) Four (4) representatives from the Arkansas  
 5 Public Employees' Retirement System; and

6 (iii) Three (3) citizens of Arkansas as appointed by  
 7 the Governor of the State.

8 (5) The staff of the Arkansas Public Employees' Retirement  
 9 System shall provide administrative support and direction of the investments.

10 (b) On or after July 1, 2013, if the State Police Retirement System  
 11 has not attained a funding ratio of at least seventy-five percent (75%), the  
 12 State Police Retirement System shall be merged with the Arkansas Public  
 13 Employees' Retirement System.

14 (1) The statutory employer contribution rate shall remain at  
 15 least twenty-two percent (22%) for the State Police division of the merged  
 16 retirement system.

17 (2) The merged retirement system board will consist of the  
 18 members as designated under § 24-4-104 plus:

19 (A) The highest ranking administrative officer of the  
 20 system in charge of employee benefits or his or her designee; and

21 (B) The Director of the Department of Arkansas State  
 22 Police or his or her designee.

23 (3)(A) Meetings of the merged retirement system board will be  
 24 held in accordance with § 24-4-105(a)(1) and (2).

25 (B) Six (6) trustees shall constitute a quorum at any  
 26 meeting of the merged retirement board and at least six (6) concurring votes  
 27 shall be necessary for a decision by the board at any of its meetings.

28 (C) The merged retirement board is subject to the rules  
 29 under § 24-4-105(b).

30

31 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
 32 General Assembly of the State of Arkansas that the country is in a recession,  
 33 that the retirement systems have suffered from the failing economy, that  
 34 combining the State Police Retirement System with the Arkansas Public  
 35 Employees Retirement System would be beneficial to retirants, and that it is  
 36 considered sound public policy to encourage the merger of the State Police

1 Retirement System with the Arkansas Public Employees Retirement System.  
2 Therefore, an emergency is declared to exist and this act being necessary for  
3 the preservation of the public peace, health, and safety shall become  
4 effective on July 1, 2009.

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36