

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1186

5 By: Representative English
6

For An Act To Be Entitled

8 AN ACT TO INCREASE THE AMOUNT OF TIME A RETIREE
9 DRAWING BENEFITS MUST WAIT BEFORE BEING REHIRED BY A
10 COVERED EMPLOYER; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO INCREASE THE AMOUNT OF TIME A RETIREE
15 DRAWING BENEFITS MUST WAIT BEFORE BEING
16 REHIRED BY A COVERED EMPLOYER AND TO
17 DECLARE AN EMERGENCY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-4-520 is amended to read as follows:
24 24-4-520. Termination required for retirement.

25 (a) Except as provided in subsection (c) of this section, a member of
26 the Arkansas Public Employees' Retirement System shall terminate covered
27 employment to be eligible for retirement.

28 (b)(1) A Except as otherwise provided in this subsection, a member
29 shall not be terminated from employment for retirement purposes if the
30 person+

31 ~~(A) Returns~~ returns to employment in a position covered
32 under the system within ~~one hundred eighty (180) days~~ one (1) year of the
33 person's effective date of retirement; ~~or,~~

34 ~~(B) Is a member with service credit under § 24-4-521 at a~~
35 ~~rate of two (2) or more years of credited service for each year of actual~~
36 ~~service and the person returns to employment in a position covered under the~~



1 ~~system within one hundred eighty (180) days of the person's effective date of~~
2 ~~retirement.~~

3 (2)(A) A member who retires with an effective date on or after
4 July 1, 2009, and before July 1, 2011, shall have the one-year separation
5 requirement waived and may return to employment in a position covered under
6 the system no sooner than one hundred eighty (180) days after that member's
7 effective date of retirement.

8 (B) A member who retires with an effective date before
9 July 1, 2009, shall have the one-year separation requirement waived and may
10 return to employment in a position covered under the system no sooner than
11 thirty (30) days after that member's effective date of retirement.

12 (3)(A) A member who enters the Arkansas Public Employees'
13 Retirement System Deferred Option Plan on or after January 1, 2009, but
14 before July 1, 2011, shall have the one-year separation requirement waived
15 and may return to employment otherwise covered by the system no sooner than
16 one hundred eighty (180) days after that member's effective date of
17 retirement.

18 ~~(2)(B)~~ A member participating in the Arkansas Public
19 Employees' Retirement System Deferred Retirement Option Plan before January
20 1, 2009, shall have the ~~one hundred eighty day~~ one-year separation
21 requirement waived and may return to employment otherwise covered by the
22 system no sooner than thirty (30) calendar days from the commencement of his
23 or her retirement.

24 (C) A member who enters the Arkansas Public Employees'
25 Retirement System Deferred Option Plan on or after February 1, 2009, but
26 before July 1, 2011, with service credit under § 24-4-521 at a rate of two
27 (2) or more years of credited service for each year of actual service, shall
28 not be eligible to return to employment in a position covered under the
29 system within one hundred eighty (180) days of that member's effective date
30 of retirement.

31 (D) A member in the Arkansas Public Employees' Retirement
32 System Deferred Option Plan on January 1, 2009, with service credit under §
33 24-4-521 at a rate of two (2) or more years of credited service for each year
34 of actual service shall not be eligible to return to employment in a position
35 covered under the system within ninety (90) days of that member's effective
36 date of retirement.

1 ~~(3) A member who has retired and commenced receiving benefits in~~
 2 ~~any month between January 2009 and June 2009, inclusive, shall have the one-~~
 3 ~~hundred eighty day separation requirement waived and may return to employment~~
 4 ~~otherwise covered by the system no sooner than thirty (30) calendar days from~~
 5 ~~the commencement of his or her retirement.~~

6 (c)(1) An elected public official may retire and begin receiving
 7 retirement benefits if the elected public official is a member:

8 (A) Whose current service in public office in one (1) form
 9 of government is covered by § 24-4-521(b)(5); and

10 (B) Who is elected to public office in a different form of
 11 government and will begin serving in that public office immediately after the
 12 expiration of his or her term of public office described in subdivision
 13 (c)(1)(A) of this section.

14 (2) The member shall notify the retirement system of his or her
 15 impending service in another form of government at least thirty (30) days
 16 prior to the first day of the month in which that service will begin. A
 17 completed retirement application shall be submitted at that time.

18 (3) As used in this subsection, "form of government" means city
 19 government, county government, or state government.

20 (d) Persons failing to meet termination requirements shall forfeit
 21 their benefits until requirements are met to the system all of the retirement
 22 benefits he or she has received notwithstanding any other provision of the
 23 Arkansas Code and shall forfeit receipt of his or her monthly benefit payment
 24 until termination requirements are met.

25
 26 SECTION 2. Arkansas Code § 24-7-502(a), regarding termination of
 27 active membership in the Arkansas Teacher Retirement System, is amended to
 28 read as follows:

29 (a)(1) A member of the Arkansas Teacher Retirement System shall
 30 terminate covered employment to be eligible for retirement.

31 (2)(A) If a member has a combined total of thirty-eight (38)
 32 years or more of credited service in the system, T-DROP, or reciprocal
 33 credited service in another eligible state retirement system on or after July
 34 1, 2011, the member shall not be terminated from covered employment for
 35 purposes of retirement eligibility if within one (1) year of the member's
 36 effective date of retirement the member:

1 (i) Becomes employed with an employer covered by the
 2 system; and

3 (ii) Has not attained the system's normal retirement
 4 age.

5 ~~(B) Effective July 2, 2009, a~~ If a member has a combined
 6 total of thirty-eight (38) years or more of credited service in the system,
 7 T-DROP, or reciprocal credited service in another eligible retirement
 8 system for the period beginning on July 2, 2009, and ending on June 30, 2011,
 9 the member shall not be terminated from covered employment for purposes of
 10 retirement eligibility if within one hundred eighty (180) days of the
 11 member's effective date of retirement the member:

12 ~~(i) Meets both of the following requirements:~~

13 ~~(a)~~ Becomes employed with an employer covered
 14 by the system; and

15 ~~(b)(ii)~~ Has not attained the system's normal
 16 retirement age; or

17 ~~(ii) Does not have total or a combined total of~~
 18 ~~thirty-eight (38) years or more of credited service in the system, T-DROP, or~~
 19 ~~reciprocal service in another eligible state retirement system.~~

20 ~~(B)(C)~~ If a member has a combined total of thirty-eight
 21 (38) years or more of credited service in the system, T-DROP, or reciprocal
 22 credited service in another eligible state retirement system for the period
 23 ending on July 1, 2009, then the member shall not be terminated from covered
 24 employment for purposes of retirement eligibility if within thirty (30) days
 25 of the member's effective date of retirement the member:

26 (i) Becomes employed with an employer covered by the
 27 system; and

28 (ii) Has not attained the system's normal retirement
 29 age.

30 ~~(3) A member who fails to meet the termination requirement of~~
 31 ~~this subsection shall forfeit all retirement benefits until the termination~~
 32 ~~requirement is met~~ If a member fails to meet the termination requirement
 33 under this section, the member's benefits shall be suspended until the member
 34 is in compliance with the termination requirement under this section.

35 ~~(4)(A) A member shall repay to the system any retirement~~
 36 ~~benefits that are paid to the member by the system during the waiting period~~

1 ~~of one hundred eighty (180) days in subdivision (a)(2) of this section.~~

2 ~~(B) The system may require the repayment of retirement~~
 3 ~~benefits from the member indirectly under the system's standard withholding~~
 4 ~~rule.~~

5 (5) For a member who fails to meet the termination requirement
 6 in subdivisions (a)(1) and (2) of this section, the member shall immediately
 7 become an active member of the system upon reemployment by a covered
 8 employer.

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 10 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 11 General Assembly of the State of Arkansas that members of the Arkansas Public
 12 Employees' Retirement System have been rehired by covered employers after
 13 having only been retired a nominal period of time; that these employees are
 14 receiving both retirement and wages from the state; that the rehiring of
 15 retired employees is preventing other Arkansans from acquiring employment
 16 with the state; that the rehiring of retired employees is preventing current
 17 state employees from receiving promotions; and that this act is immediately
 18 necessary, because without immediate effectiveness, a significant number of
 19 current retirement system members might avail themselves of the opportunity
 20 to retire before the more restrictive provisions apply resulting in a
 21 substantial, detrimental impact on the retirement system. Therefore, an
 22 emergency is declared to exist and this act being necessary for the
 23 preservation of the public peace, health, and safety shall become effective
 24 on July 1, 2011.