

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

A Bill

SENATE BILL 57

4
5 By: Senator J. Key

For An Act To Be Entitled

8 AN ACT CONCERNING SERVICE CREDIT FOR FORMER MILITARY
9 PERSONNEL UNDER THE ARKANSAS LOCAL POLICE AND FIRE
10 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

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13 CONCERNING SERVICE CREDIT FOR FORMER
14 MILITARY PERSONNEL UNDER THE ARKANSAS
15 LOCAL POLICE AND FIRE RETIREMENT SYSTEM.
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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 § 24-10-510 is amended to read as follows:

22 24-10-510. Service credit for former military personnel.

23 ~~A person who is a member of the Arkansas Local Police and Fire~~
24 ~~Retirement System and who was not receiving benefits under the system on~~
25 ~~January 1, 2003, may purchase credited service in the system for a period not~~
26 ~~to exceed two (2) years for service rendered by the member while on active~~
27 ~~duty in the armed forces of the United States before the member's employment~~
28 ~~covered by the system, but only if:~~

29 ~~(1) The person received an honorable discharge from the armed~~
30 ~~forces; and~~

31 ~~(2) If the person has participated in the system for at least~~
32 ~~five (5) years or takes medical disability, he or she contributes to the~~
33 ~~member's deposit account a sum of money equal to the amount of the combined~~
34 ~~employee and employer contribution made by or on behalf of the member to the~~
35 ~~system based upon the contributions for the last month of the employee's~~
36 ~~fifth year of service, or if the employee has taken medical disability, the~~



1 ~~last month of the employee's last year of service before taking disability,~~
 2 ~~multiplied by the number of months of military service the member is eligible~~
 3 ~~for and desires to purchase under this section with interest thereon at the~~
 4 ~~rate of six percent (6%) per annum from the date of eligibility to purchase~~
 5 ~~the service to the date of purchase.~~

6 (a) Any active member of the Arkansas Local Police and Fire Retirement
 7 System may purchase credited service in the system equivalent to a period not
 8 to exceed five (5) years for service rendered by the member while on active
 9 duty in the armed forces of the United States before the member's employment
 10 covered by the system, if the member:

11 (1) Received an honorable discharge from the armed forces;

12 (2) Has at least five (5) years of actual service in the system;

13 and

14 (3)(A) Contributes to the system an amount that is the actuarial
 15 equivalent of the value of the credited service to be purchased.

16 (B) The actuarial equivalent is of the time of the
 17 purchase of the credited service and shall be determined by the actuary for
 18 the system.

19 (b) The Board of Trustees of the Arkansas Local Police and Fire
 20 Retirement System shall make the final determination as to the:

21 (1) Length of purchased service credit;

22 (2) Amount of regular interest to be charged; and

23 (3) Manner in which payment is made to the system.

24 (c) Service credit purchased under this section shall be used to
 25 determine the member's total credited service under the system but shall not
 26 be used to determine his or her final average pay under the system.

27
 28 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 29 General Assembly that the Arkansas Local Police and Fire Retirement System is
 30 in place to provide economic security for eligible citizens of Arkansas, that
 31 the statutes need amending to update provisions concerning service credit for
 32 former military personnel, and that these citizens need to be immediately
 33 covered by these changes. Therefore, an emergency is declared to exist and
 34 this act being necessary for the preservation of the public peace, health,
 35 and safety shall become effective on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

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