

Hall of the House of Representatives

86th General Assembly - Regular Session, 2007

Amendment Form

Subtitle of House Bill No. 1279

"TO TRANSFER ALL ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM
STAFF HIRED AFTER JANUARY 1, 1999, FROM THE ARKANSAS PUBLIC EMPLOYEES
RETIREMENT SYSTEM TO THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT
SYSTEM."

Amendment No. 1 to House Bill No. 1279.

Amend House Bill No. 1279 as originally introduced:

Page 1, delete line 31 and substitute the following:

"System.

SECTION 2. Arkansas Code § 24-10-102 is amended to read as follows:
24-10-102. Definitions.

As used in this chapter:

(1) "Accumulated contributions" means the total of all amounts contributed by a member and standing to his or her credit in his or her individual account in the Arkansas Local Police and Fire Retirement System, together with regular interest thereon;

(2) "Actuarial equivalent" means a benefit of equal reserve value, where "reserve" means the present value of all payments to be made on account of any benefit based upon such reasonable rates of interest and tables of experience as the system shall adopt from time to time;

(3)(A) "Actuary" means a qualified actuary with experience in retirement plan financing.

(B) Membership in the American Academy of Actuaries shall be sufficient for a person to be deemed a qualified actuary;

(4) "Age" means age on last birthday;

(5) "Annuity" means a monthly amount payable throughout the life of a person or for a temporary period;

(6) "Beneficiary" means any person who is receiving or designated by a member to receive a plan benefit, except a retirant;

(7) "Benefit program" means a schedule of benefits or benefit formulas from which the amounts of benefits can be determined;

(8) "Board" means the board of trustees of the system;

(9) "Covered employment" means employment as a police officer or firefighter in a position covered by the system;

(10)(A) "Credited service" means covered employment that is



creditable as service by the system and is the total of paid service and volunteer service.

(B) Credited service cannot be both paid service and volunteer service for the same period of time.

(11)(A) "Dependent child" means a child until his or her death, his or her marriage, or his or her attainment of age eighteen (18), whichever occurs first.

(B)(i) The age eighteen (18) maximum shall be extended as long as the child continues uninterruptedly being a full-time student at an accredited secondary school, college, or university, but in no event beyond his or her attainment of age twenty-three (23).

(ii) The age eighteen (18) maximum shall also be extended for any child who has been deemed physically or mentally incompetent by an Arkansas court of competent jurisdiction or by the board for as long as the incompetency exists;

(12) "Effective date" of the system means July 1, 1981;

(13)(A) "Employee" means any person regularly employed by a political subdivision who receives remuneration from the political subdivision for personal services rendered as a police officer or firefighter.

(B) ~~The term "employee"~~ "Employee" shall not include any person who acts for the political subdivision under contract or is paid on a fee basis.

(C) "Employee" shall include any person regularly employed by the administration of the system;

(14) "Employer" means any political subdivision that has its eligible employees covered by the system or the Arkansas Local Police and Fire Retirement System as employer of its administrative staff;

(15)(A) "Final average pay" means the monthly average of the pays to an employee during the period of thirty-six (36) consecutive months of credited service producing the highest monthly average, but the period must be contained within the period of one hundred twenty (120) consecutive months of credited service immediately preceding his or her separation from covered employment.

(B) Should a member have fewer than thirty-six (36) months of credited service, "final average pay" means the monthly average of pays to him or her during his or her total months of credited service.

(C)(i) In any event, pays usable in determining final average pay shall be limited by the test in subdivision (15)(C)(ii) of this section, considering the final average pay period in four (4) contiguous segments.

(ii)(a) Pays during any one (1) annual segment shall be usable only to the extent that the pays do not exceed thirty-one percent (31%) of the total pays in the final average pay period.

(b) However, if the final average pay period is less than four (4) full years, the maximum usable thirty-one percent (31%) shall be increased proportionately.

(D)(i) For the limited purposes of calculating final average pay for disability retirement benefits under § 24-10-607, pay shall include workers' compensation benefits received by the member.

(ii) However, the pay that is increased for any month for the limited purposes of calculating this final average pay shall

not be greater than the current pay attached to the rank of the member;

(16)(A) "Firefighter" means any regular or permanent employee of a fire department of a political subdivision, including a probationary firefighter.

(B) The term "firefighter" shall not include any civilian employee of a fire department or any person temporarily employed as a firefighter during an emergency;

(17) "General Assembly" means the General Assembly of the state;

(18)(A) "Inflation index" means the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, as determined by the United States Department of Labor and in effect January 1, 1981.

(B) Should the inflation index be restructured subsequent to 1980 in a manner materially changing its character, the board after receiving the advice of its actuary shall change the application of the inflation index so that, as far as is practicable, the 1980 intent of the use of the inflation index shall be continued;

(19) "Joint Committee on Public Retirement" means the Joint Committee on Public Retirement and Social Security Programs created by §§ 10-3-701 - 10-3-703, or any successor committee;

(20) "Member" means any police officer or firefighter included in the membership of the system or a person regularly employed by the administration of the system;

(21) "Normal retirement age" means the younger of the following ages:

(A) Age fifty-five (55) if the member has at least twenty (20) years of credited service;

(B) Age sixty (60) if the member has fewer than twenty (20) years of credited service; or

(C) Any age if the member has twenty-eight (28) or more years of credited service;

(22) "Operative date" of the system means January 1, 1983;

(23) "Paid service" is covered employment that is half-time employment or more and that becomes credited service. For a calendar month in 1981 to become paid service, the police officer or firefighter must be paid at least five hundred dollars (\$500) for that month's personal services as police officer or firefighter. For any calendar year after 1981, the five hundred dollars (\$500) monthly minimum shall be increased by any percentage increase in the inflation index for the period from October 1980 to the October immediately preceding the calendar year;

(24)(A) "Pay" means the recurring remuneration paid an employee for personal services rendered by the employee in a position covered by the system.

(B) Should a portion of an employee's remuneration be paid him or her other than in cash, the cash value of the remuneration shall be established by the system, in an amount not to exceed the amount the employee is required to report for federal income tax purposes.

(C) In determining pay, no consideration shall be given to:

- (i) Special single-sum payments paid by an employer;
- (ii) Employer contributions to any employee benefit plan; or
- (iii) Any other unusual or nonrecurring

remuneration;

(25)(A) "Police officer" means any regular or permanent employee of a police department of a political subdivision, including a probationary police officer.

(B) The term "police officer" shall not include any civilian employee of a police department or any person temporarily employed as a police officer during an emergency;

(26) "Political subdivision" means:

(A) Incorporated towns;

(B) Cities of the first class;

(C) Cities of the second class;

(D) Counties;

(E) Fire protection districts that maintain standards established by the board;

(F) Rural fire protection corporations; and

(G) Suburban improvement districts;

(27) "Regular interest" means such reasonable rate or rates per annum, compounded annually, as the board shall adopt;

(28) "Relief fund" means:

(A) Any police officers' pension and relief fund created by state law, applicable to police officers, and covering one (1) or more persons on December 31, 1982; or

(B) Any fire fighters' relief and pension fund created by state law, applicable to firefighters, and covering one (1) or more persons on December 31, 1982;

(29) "Retirant" means a former member receiving a plan annuity by reason of having been a member;

(30) "Social security" means the federal social security old age, survivors, and disability insurance program, as amended;

(31)(A) "Social security primary benefit" means a member's benefit for age or for disability determined and payable under social security, determined as of the date of his or her separation from covered employment.

(B) Should a member so separate before being eligible for a social security primary benefit with monthly payments commencing immediately, the amount of his or her social security primary benefit shall be equal to the social security disability benefit he or she would receive if he or she were disabled at the time of separation;

(32) "State" means the State of Arkansas and includes all of its duly constituted agencies;

(33) "System" means the Arkansas Local Police and Fire Retirement System created by this chapter; and

(34) "Volunteer service" is covered employment that becomes credited service and cannot be classified as paid service.

SECTION 3. Arkansas Code § 24-10-301(a) is amended to read as follows:

(a) The membership of the Arkansas Local Police and Fire Retirement System shall include the following persons:

(1) If his or her employer had its firefighters covered by a relief fund on the operative date, each person first employed as a firefighter on or after the operative date shall become a member of this system and not be a member of the relief fund;

(2) If his or her employer had its police officers covered by a relief fund on the operative date, each person first employed as a police officer on or after the operative date shall become a member of this system and not be a member of the relief fund;

(3) If his or her employer did not have its firefighters covered by a relief fund on the operative date, all persons employed as firefighters on the date the employer covers firefighters under this subchapter shall become members of the system as of that date, and each person first employed as a firefighter thereafter shall become a member upon employment; ~~and~~

(4) If his or her employer did not have its police officers covered by a relief fund on the operative date, all persons employed as police officers on the date the employer covers police officers under this subchapter shall become members of the system as of that date, and each person first employed as a police officer thereafter shall become a member upon employment; and

(5) The administrative staff of the Arkansas Local Police and Fire Retirement System.”

The Amendment was read _____
By: Representative Harris
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Chief Clerk