

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 129

5 By: Senator Hickey
6 By: Representative Maddox
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE STATE POLICE RETIREMENT SYSTEM
10 PLAN REGARDING SURVIVOR BENEFITS; TO PROVIDE FOR THE
11 PROPER ADMINISTRATION OF SURVIVOR BENEFITS UNDER THE
12 STATE POLICE RETIREMENT SYSTEM; TO DECLARE AN
13 EMERGENCY; AND FOR OTHER PURPOSES.
14

Subtitle

15
16 TO AMEND THE STATE POLICE RETIREMENT
17 SYSTEM PLAN REGARDING SURVIVOR BENEFITS;
18 AND TO DECLARE AN EMERGENCY.
19
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 24-6-217 is amended to read as follows:

25 24-6-217. Benefits – ~~Survivor's pension upon death of member~~ Death
26 before retirement.

27 (a)(1) ~~In the case of a member who dies on or after January 1, 1956,~~
28 ~~and leaves a spouse~~ A member's surviving spouse who has the care of the
29 member's dependent child or children, ~~the surviving spouse~~ shall receive a
30 pension equal to the greater of one thousand eight hundred dollars (\$1,800)
31 per annum or seventy-five percent (75%) of the pension to which the member
32 would have been entitled had he or she retired the day preceding the date of
33 his or her death, ~~notwithstanding that~~ even if the member ~~might~~ was not ~~have~~
34 ~~been~~ eligible to retire.

35 (2) When the surviving spouse no longer has the care of the
36 dependent child, the pension shall be reduced to the greater of one thousand



1 two hundred dollars (\$1,200) per annum or fifty percent (50%) of the pension
 2 to which the member would have been entitled had he or she retired the day
 3 preceding the date of his or her death, ~~notwithstanding that~~ even if the
 4 member ~~might was~~ not ~~have been~~ eligible to retire.

5 (3) Upon the surviving spouse's remarriage or death, the pension
 6 provided for in this subsection shall terminate.

7 (b)(1) ~~In the case of a member who dies on or after January 1, 1956,~~
 8 ~~and leaves a~~ A member's surviving spouse who does not have in his or her care
 9 the member's dependent child or children, ~~the surviving spouse~~ shall receive
 10 a pension equal to the greater of one thousand two hundred dollars (\$1,200)
 11 per annum or fifty percent (50%) of the pension to which the member would
 12 have been entitled had he or she retired the day preceding the date of his or
 13 her death, ~~notwithstanding that~~ even if the member ~~might was~~ not ~~have been~~
 14 eligible to retire.

15 (2) Upon the surviving spouse's remarriage or death, the pension
 16 provided for in this subsection shall terminate.

17 (c)(1) ~~In the event~~ If a member dies and does not leave a spouse, or
 18 ~~in the event~~ the surviving spouse remarries or dies and there is a surviving
 19 ~~the member a~~ dependent child or children of the member, each such child shall
 20 receive a pension of an equal share of the greater of one thousand eight
 21 hundred dollars (\$1,800) per annum or seventy-five percent (75%) of the
 22 pension to which the member would have been entitled had he or she retired
 23 the day preceding the date of his or her death, ~~notwithstanding that~~ even if
 24 ~~he or she~~ the member ~~might was~~ not ~~have been~~ eligible to retire.

25 (2) ~~In no case shall the~~ The annual pension payable to any such
 26 child shall not exceed fifteen percent (15%) of the final average annual
 27 salary of the deceased member.

28 (d)(1) In the event a member who has five (5) or more years of
 29 credited service in the system dies and leaves neither a spouse nor children
 30 eligible for pensions provided for in subsections (a)-(c) of this section,
 31 and there is surviving the member his or her parents, whom are the board
 32 ~~finds to be~~ claimed as dependent upon the ~~member~~ member's federal tax return
 33 for not less than one (1) year immediately preceding the member's death ~~for~~
 34 ~~at least fifty percent (50%) of their support due to lack of financial means,~~
 35 each dependent parent shall receive a pension of an equal share of fifty
 36 percent (50%) of the pension to which the member would have been entitled had

1 he or she retired the day preceding the date of ~~his or her~~ the member's
 2 death, ~~notwithstanding that~~ even if the member ~~might~~ was not have been
 3 eligible to retire.

4 (2) Upon the remarriage or death of the parent, his or her
 5 pension shall terminate.

6 (e)(1)(A) A child ~~shall be~~ is a dependent child for purposes of
 7 receiving a survivor's annuity until ~~his or her~~ the child's death, ~~his or her~~
 8 marriage, or ~~his or her~~ attainment of ~~age eighteen (18)~~ eighteen (18) years
 9 of age, whichever occurs first.

10 (B)(i) However, the age-eighteen maximum shall be extended
 11 as long as the child is continuously enrolled as a full-time student at an
 12 accredited secondary school or accredited postsecondary institution of higher
 13 education, but in no event beyond his or her attainment of ~~age twenty-three~~
 14 ~~(23)~~ twenty-three (23) years of age.

15 (ii) The ~~eighteen-year~~ age-eighteen maximum shall
 16 also be extended for any child who has been deemed physically or mentally
 17 incompetent by a court with jurisdiction over the individual or by the board,
 18 for as long as the incompetency exists.

19 (2) Once a child ceases to be a dependent child, his or her
 20 annuity shall terminate and there shall be a redetermination of the amount
 21 payable to any remaining dependent children.

22 (3) The board is authorized to establish through rules a means
 23 of verification of ~~enrollment in a secondary school or postsecondary~~
 24 ~~institution of higher education by~~ a surviving dependent child under this
 25 section for purposes of pension benefits.

26 (f)(1) If a surviving spouse who is receiving survivor's benefits
 27 under this section remarries, and the benefits are discontinued, and the
 28 surviving spouse again becomes unmarried, benefits provided in this section
 29 for the spouse shall be resumed.

30 (2) Benefits shall be resumed for any surviving spouse who had
 31 remarried but is unmarried on that date, but no such benefits will be paid
 32 the surviving spouse for any period prior to July 1, 1991.

33 (g)(1) If the member is killed while in the official line of duty and
 34 the surviving spouse is eligible for a deferred benefit under this section,
 35 the surviving spouse may elect to receive a reduced benefit beginning
 36 immediately.

1 (2) The reduction of the benefit otherwise defined in this
2 section shall be:

3 (A) Five-tenths of one percent (0.5%) per month for each
4 of the first sixty (60) months that the benefit begins before it would have
5 otherwise begun; plus

6 (B) Twenty-five hundredths of one percent (0.25%) per
7 month for each month more than sixty (60) months that the benefit begins
8 before it would have otherwise begun.

9 (3) However, the total reduction under this subsection shall not
10 be more than fifty percent (50%).

11 (4) Those who otherwise would have been eligible for this
12 benefit on or after July 1, 2002, may also elect this reduced benefit
13 prospectively.

14
15 SECTION 2. Arkansas Code § 24-6-408 is amended to read as follows:
16 24-6-408. Benefit provisions – Election of annuity options.

17 (a) ~~Before the date the first payment of his or her annuity becomes~~
18 ~~due, but not thereafter, a~~ A member may elect to receive his or her annuity
19 as a straight life annuity or ~~he or she may~~ elect to have ~~his or her~~ that
20 annuity reduced and ~~nominate~~ designate a beneficiary in writing and file the
21 elections with the system in accordance with the provisions of before that
22 annuity starting date under one (1) of the following options:

23 (1) Option A60 – Sixty (60) Months Certain and Life Annuity.

24 (A) Under Option A60, the retirant shall be paid a reduced
25 annuity for life with the provisions that if the retirant's death occurs
26 before sixty (60) monthly payments have been made, then the full reduced
27 annuity shall continue to be paid for the remainder of the sixty (60) months
28 to such persons and in such shares as the retirant ~~shall have~~ has designated
29 ~~in writing and filed with the plan.~~

30 (B) If there is no ~~payee~~ beneficiary surviving, the lump-
31 sum actuarial equivalent of the remaining monthly payments shall be paid to
32 the estate of the last survivor among the retirant and the designated ~~persons~~
33 beneficiary.

34 (C) The reduced annuity shall be ninety-six percent (96%)
35 of the straight life annuity;

36 (2) Option A120 – One Hundred Twenty (120) Monthly Certain and

1 Life Annuity.

2 (A) Under Option A120, the retirant shall be paid a
 3 reduced annuity for life with the provision that if the retirant's death
 4 occurs before one hundred twenty (120) monthly payments have been made, the
 5 full reduced annuity shall continue to be paid for the remainder of the one
 6 hundred twenty (120) months to such persons and in such shares as the
 7 retirant ~~shall have~~ has designated ~~in writing and filed with the plan.~~

8 (B) If there is no ~~payee~~ beneficiary surviving, the lump-
 9 sum actuarial equivalent of the remaining monthly payment shall be paid to
 10 the estate of the last survivor among the retirant and the designated ~~persons~~
 11 beneficiary.

12 (C) The reduced annuity shall be ninety percent (90%) of
 13 the straight life annuity;

14 (3) Option B50 – Fifty Percent (50%) Survivor Beneficiary
 15 Annuity.

16 (A)(i) Under Option B50, the retirant shall be paid a
 17 reduced annuity for life ~~with the provision that, and upon his or her the~~
 18 retirant's death, one-half (½) of the reduced annuity shall ~~be continued~~
 19 continue throughout the future lifetime of and paid to such person as the
 20 retirant ~~shall have~~ has designated ~~in writing and filed with the plan before~~
 21 ~~his or her annuity starting date.~~

22 (ii) ~~However, that person must be~~ The member may
 23 elect either his:

24 (a) His or her spouse, to whom the member has
 25 been married for not less than ~~one (1) year~~ six (6) months immediately
 26 preceding the first payment due date; ~~or another person~~

27 (b) A dependent child aged forty (40) forty
 28 (40) years of age or older ~~receiving~~ who is claimed as a dependent upon the
 29 member's federal tax return ~~more than one half (½) support from the retirant~~
 30 for not less than one (1) year immediately preceding the first payment due
 31 date.

32 (B) The reduced annuity to the retirant shall be eighty-
 33 three percent (83%) if the retirant's age and his or her beneficiary's age
 34 are the same on the first payment due date, which shall be decreased by one-
 35 half percent (0.5%) for each year that the beneficiary's age is less than the
 36 retirant's age, or which shall be increased by one-half percent (0.5%), up to

1 a maximum of ninety-five percent (95%), for each year that the beneficiary's
2 age is more than the retirant's age.

3 (C) If the named beneficiary under Option B50 predeceases
4 the retirant, the original unreduced benefit shall be paid to the retirant
5 prospectively;

6 (4) Option B75 – Seventy-Five Percent (75%) Survivor Beneficiary
7 Annuity.

8 (A)(i) Under Option B75, the retirant shall be paid a
9 reduced annuity for life ~~with the provision that, and upon his or her~~ the
10 retirant's death, ~~three-quarters~~ three-fourths ($\frac{3}{4}$) of the reduced annuity
11 shall be continued throughout the future lifetime of and paid to such person
12 as the retirant ~~shall have~~ has designated in writing and filed with the plan
13 before his or her annuity starting date; ~~however, that person must be~~

14 (ii) The member may elect either: his

15 (a) His or her spouse to whom the member has
16 been married for not less than ~~one (1) year~~ six (6) months immediately
17 preceding the first payment due date; ~~or another person~~

18 (b) A dependent child aged forty (40) forty
19 (40) years of age or older receiving more than one-half ($\frac{1}{2}$) support from the
20 retirant who is claimed as a dependent upon the retirant's federal tax return
21 for not less than one (1) year immediately preceding the first payment due
22 date.

23 (B) The reduced annuity to the retirant shall be seventy-
24 five percent (75%) if the retirant's age and his or her beneficiary's age are
25 the same on the first payment due date, which shall be decreased by three-
26 quarters percent (0.75%) for each year that the beneficiary's age is less
27 than the retirant's age, or which shall be increased by three-quarters
28 percent (0.75%), up to a maximum of ninety percent (90%), for each year that
29 the beneficiary's age is more than the retirant's age.

30 (C) If the named beneficiary under Option B75 predeceases
31 the retirant, the original unreduced benefit shall be paid to the retirant
32 prospectively.

33 (b)(1)(A) The member may elect to cancel the designation of a
34 beneficiary under Option B50 or Option B75 in writing and file the election
35 with the system upon the:

36 (i) A death Death of a spouse; or ~~divorcee~~

1 (ii) Divorce or other marriage dissolution from the
2 member's spouse; or ~~the death~~

3 (iii) Death of ~~a person~~ the member's dependent child
4 who is forty (40) years of age or older and who is ~~the~~ designated as a
5 beneficiary under ~~Option B50 or Option B75 following retirement shall cancel,~~
6 ~~at the written election of the retirant, Option B50 or Option B75 elected at~~
7 ~~retirement to provide continuing lifetime benefits to the designated person~~
8 ~~and § 24-6-408(a).~~

9 (B) The member's election under subsection (b) of this
10 section shall return the retirant to ~~this~~ his or her straight life annuity,
11 or the member may elect Option A60 or Option A120 annuity, to be effective
12 the month following receipt by the system of his or her election ~~by the State~~
13 ~~Police Retirement System.~~

14 (2) A retirant who is receiving a straight life or Option A60 or
15 Option A120 annuity and who marries after retirement or within ~~one (1) year~~
16 six (6) months immediately preceding retirement may elect to cancel his or
17 her straight life, ~~or Option A60,~~ or Option A120 annuity and may elect Option
18 B50 or Option B75 ~~providing to provide~~ continuing lifetime benefits to his or
19 her spouse, ~~but only~~ if the election is:

20 (A) Submitted on a form approved by the system; and ~~is~~
21 ~~received~~

22 (B) Received by the system ~~not no~~ earlier than ~~one (1)~~
23 ~~year~~ six (6) months after the date of the marriage and ~~not no~~ later than
24 ~~eighteen (18) months~~ one (1) year after that date.

25 (3) The election shall be effective the first day of the month
26 following its receipt.

27 (c) If a member fails to elect an option, his or her annuity shall be
28 paid to him or her as a straight life annuity.

29
30 SECTION 3. Arkansas Code § 24-6-411 is amended to read as follows:
31 24-6-411. Benefit provisions – Death before retirement.

32 (a) If an active member with five (5) or more years of actual service,
33 including service for the year immediately preceding his or her death, dies
34 in employer service before retirement, the applicable benefit provided in
35 this section shall be ~~paid~~ allowed upon the survivor's written application ~~to~~
36 filed with the ~~Board of Trustees of the State Police Retirement System~~

1 system.

2 (b)(1)(A) ~~In the event that~~ If a member dies and is not being paid on
 3 that date by his or her employer due solely to illness incurred before he or
 4 she left the payroll and the death occurs within one (1) year of the last
 5 payroll, the member shall be considered, for purposes of this section, to
 6 have died as an active member if all other necessary provisions of this
 7 section are met.

8 (B) ~~For purposes of computing~~ To compute benefits provided
 9 by this section, the deceased member's salary at the time of death shall be
 10 his or her salary for the year immediately preceding the cessation of his or
 11 her pay.

12 (2)(A) If an active member with five (5) or more years of actual
 13 service does not have credited service for the year immediately preceding
 14 death due to illness which eventually leads to his or her death or due to his
 15 or her employer's removing the member from the payroll because of temporary
 16 economic conditions of the employer or weather conditions, the active member
 17 shall be considered, only for eligibility purposes of the section, to have
 18 credited service for the year preceding death.

19 (B) Benefits shall be paid according to the salary earned
 20 during the year preceding death.

21 (c)(1) The deceased member's surviving spouse who was married to the
 22 member for at least six (6) months immediately preceding the member's death
 23 shall receive an annuity computed in the same manner in all respects as if
 24 the member had ~~retired;~~

25 (A) Retired on the date of his or her death with
 26 entitlement to an annuity provided for in § 24-6-406, ~~elected;~~

27 (B) Elected the Option B75 survivor annuity provided for
 28 in § 24-6-408, ~~and nominated; and~~

29 (C) Designated his or her spouse as joint beneficiary.

30 (2)(A) If the deceased member has satisfied the age and service
 31 requirement provided for in § 24-6-404 or had acquired twenty (20) years'
 32 actual service, then the ~~spouse~~ spousal annuity shall ~~commence immediately~~
 33 ~~and~~ be payable for ~~his or her~~ life.

34 (B)(i) If the member had acquired fifteen (15) years'
 35 actual service, but had not attained ~~age sixty-five (65)~~ sixty-five (65)
 36 years of age, the ~~spouse~~ spousal annuity shall commence at the later of

1 either ~~age fifty (50)~~ fifty (50) years of age or his or her age at his or her
 2 death and shall be payable until the earlier of his or her remarriage or
 3 death.

4 (ii) Otherwise, the ~~spouse~~ spousal annuity shall
 5 commence at the later of either ~~age sixty-two (62)~~ sixty-two (62) years of
 6 age or his or her age at his or her death and shall be payable until the
 7 earlier of either his or her remarriage or death.

8 (3) The ~~spouse~~ spousal annuity shall not be less than ten
 9 percent (10%) of the deceased member's covered compensation at the time of
 10 death.

11 (4) ~~In any event,~~ For as long as the surviving spouse has in his
 12 or her care any of the deceased member's dependent children ~~receiving who~~
 13 receive a benefit provided for in this section, there shall be payable to him
 14 or her a ~~spouse~~ spousal annuity which shall not be less than ten percent
 15 (10%) of the deceased member's compensation at the time of death.

16 (d)(1) The deceased member's dependent child or dependent children
 17 shall each receive an annuity of the greater of either:

18 (A) ~~ten~~ Ten percent (10%) of the member's covered
 19 compensation at the time of death; or

20 (B) ~~an~~ An equal share of one hundred fifty dollars (\$150)
 21 monthly.

22 (2) If there are three (3) or more dependent children, each
 23 dependent child shall receive as an annuity an equal share of the greater of:

24 (A) ~~either~~ Either twenty-five percent (25%) of the
 25 member's covered compensation; or

26 (B) ~~one~~ One hundred fifty dollars (\$150) monthly.

27 (3)(A) A child ~~shall be~~ is considered a dependent child as used
 28 in subdivision (d)(1) of this section and for purposes of receiving a
 29 survivor's annuity until ~~his or her~~ the child's death, ~~his or her~~ marriage,
 30 or ~~his or her~~ attainment of ~~age eighteen (18)~~ eighteen (18) years of age,
 31 whichever occurs first.

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

(ii) The age-eighteen 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~~ Board of Trustees of the State Police Retirement System for as long as the incompetency exists.

~~Upon a child's ceasing~~ Once a child ceases to be a dependent child, his or her annuity shall terminate, and there shall be a redetermination of the amounts payable to any remaining dependent children.

(e)(1) If at the time of the member's death there is neither a spouse nor a dependent child, each dependent parent shall receive an allowance of the greater of either ten percent (10%) of the deceased member's covered compensation or an equal share of one hundred fifty dollars (\$150) monthly, ~~but only if the board finds that the parent was dependent for at least fifty percent (50%) of his or her financial support upon the member.~~

(2) A dependent parent eligible for a survivor benefit under this section shall have been claimed as dependent upon the deceased member's or former member's federal tax return for not less than one (1) year immediately preceding the member's death.

(f)(1) If no annuity can become payable to a dependent child due to the member's death ~~of the member, and a~~ the surviving spouse or dependent parents may elect to receive a refund of the member's or former member's accumulated contributions as provided in § 24-6-222 in lieu of any benefits which could become payable under this plan if the:

(A) Surviving spouse or dependent parents are the only persons who will be eligible for monthly benefits; ~~and the~~

(B) Surviving spouse or dependent parents are also the designated beneficiaries of the deceased member, ~~then, in that event, the surviving spouse or dependent parent may elect to receive a refund of the member's accumulated contributions in lieu of any benefits which could become payable under this subchapter.~~

(2) The option to choose a refund of the deceased member's contribution shall also be afforded to any spouse or dependent parent qualified under this section whose eligibility for the benefit occurred before the passage of this chapter and who could not exercise that option.

(3) ~~Once the~~ A refund of the deceased member's accumulated contributions ~~has been~~ made to the surviving spouse or dependent parents under this subsection, ~~the recipient shall have no~~ precludes any right or

1 future claim to monthly retirement benefits due to the death of the member.

2 (g)(1) In the event all the annuities provided for in this section
 3 payable on account of the member's death ~~of a member~~ terminate before there
 4 has been paid an aggregate amount equal to his or her accumulated
 5 contributions standing to his or her credit in the member's deposit account
 6 at the time of his or her death, the difference between the accumulated
 7 contributions and the aggregate amount of annuity payments shall be paid to
 8 such person as he or she shall have nominated by written designation duly
 9 executed and filed with the ~~board~~ system.

10 (2) If there is no designated person surviving a termination,
 11 the difference shall be paid to the member's estate.

12 (h)(1) ~~In the case of a~~ A surviving spouse of a deceased member ~~who~~
 13 ~~had benefits~~ whose benefits were terminated due to remarriage under the
 14 provisions of this section, ~~the surviving spouse of the member~~ shall be
 15 entitled to a reinstatement of benefits upon the death of any subsequent
 16 spouse.

17 (2) The reinstated benefits shall cease immediately upon the
 18 ~~death or~~ subsequent remarriage or death of the surviving spouse of the
 19 deceased member.

20 (i)(1) If the member is killed while in the official line of duty and
 21 the surviving spouse is eligible for a deferred benefit under this section,
 22 the surviving spouse may elect to receive a reduced benefit beginning
 23 immediately.

24 (2) The reduction of the benefit otherwise defined in this
 25 section shall be:

26 (A) Five-tenths of one percent (0.5%) per month for each
 27 of the first sixty (60) months that the benefit begins before it would have
 28 otherwise begun; plus

29 (B) Twenty-five hundredths of one percent (0.25%) per
 30 month for each month more than sixty (60) months that the benefit begins
 31 before it would have otherwise begun.

32 (3) However, the total reduction under this subsection shall not
 33 be more than fifty percent (50%).

34 (4) Those who otherwise would have been eligible for this
 35 benefit on or after July 1, 2002, may also elect this reduced benefit
 36 prospectively.

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SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas State Police Retirement System law are in need of revision and updating to maintain the retirement laws in conformance with sound public pension policy; that the Arkansas State Police Retirement System operates on a fiscal year of July 1 to June 30; that having a July 1, 2023 effective date is necessary to allow the provisions within this act to begin on the first day of the fiscal year to provide proper administration of the procedures herein; that such revisions and updating are of great importance for actuarial purposes and to protect the benefits to members of the Arkansas State Police Retirement System; and that it is necessary for this act to have a July 1, 2023 effective date in order to maintain an orderly system of benefits for the members of Arkansas State Police Retirement System. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2023.

APPROVED: 3/9/23