

Hall of the House of Representatives

86th General Assembly - Regular Session, 2007

Amendment Form

Subtitle of House Bill No. 1098

"CONCERNING THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM TO
CHANGE THE UNIFORMED CONTRIBUTION RATE FOR VOLUNTEER LOCATIONS
AND TO CHANGE THE AMOUNT OF PRIOR SERVICE RECOGNIZED FOR NEW
VOLUNTEER DEPARTMENTS."

Amendment No. 1 to House Bill No. 1098.

Amend House Bill No. 1098 as originally introduced:

Page 1, delete everything after the enacting clause, and substitute the following:

"SECTION 1. Arkansas Code § 24-10-405 is amended to read as follows:
24-10-405. Employer accumulation account - Contributions.

(a) The employer accumulation account as created by this section shall be the account in which shall be accumulated the contributions made by employers for annuities and from which shall be made transfers as provided in this chapter.

(b) When paid to the Arkansas Local Police and Fire Retirement System, the employer contributions provided for in this section shall be credited to the employer accumulation fund account of the employer making the contributions.

(c) When an annuity first becomes due and payable to or on behalf of a member, there shall be transferred to the retirement reserve account from his or her employer's account in the employer accumulation account the difference between the reserve for the annuity and the accumulated contributions standing to his or her credit in the members' deposit account at the time the annuity first becomes due and payable.

(d)(1) A separate account shall be maintained in the employer accumulation account for each employer.

(2) No paid service employer shall be responsible for the employer accumulation account liabilities of another paid service employer.

(e) Each paid service employer's contributions to the system shall be the total of the contribution amounts provided for in subsections (f) and (g) of this section, and the contributions shall be subject to the provisions of subsection (h) of this section.

(f)(1) For each paid service employer, the actuary shall annually compute the rate of contributions, expressed as a percent of active member pays, which will cover the benefit costs of its employees participating in



the system.

(2) The actuarial valuation determining the contribution rate shall be based upon such financial assumptions as shall be established by the Board of Trustees of the Arkansas Local Police and Fire Retirement System after consulting with the actuary.

(3) The board shall annually certify to the governing body of each employer the contribution rate so determined, and each employer shall pay contributions based on that rate to the system during the employer's next fiscal year, which begins six (6) months or more after the date of the board certification.

(4) The payments shall be made in such manner and form, and in such frequency, and shall be accompanied by such supporting data, as the board shall determine.

(5) When received, the payments shall be credited to the employer's account in the employer accumulation account.

(g) Each employer shall provide its share as determined by the board of the administrative expenses of the system and shall pay that amount to the system to be credited to the income-expense account.

(h)(1) Except under subdivision (h)(2) of this section, the paid service employer's total contributions to the system, expressed as a percent of active member pays, in any employer fiscal year beginning with the second fiscal year that the political subdivision is an employer shall not exceed its total contributions for the immediately preceding fiscal year, expressed as a percent of active member pays, by more than one percent (1%).

(2) However, an increase in the paid service employer's contributions to the system may exceed the limit of one percent (1%) per year imposed under subdivision (h)(1) of this section if the board certifies to the governing body of each paid service employer that the increase in the paid service employer's contribution rate is the direct result of increased benefit costs mandated by changes in the law made by ~~the Eighty-fourth regular session of~~ the General Assembly.

(i)(1) For each volunteer service employer, the actuary shall annually compute the rate of contributions that will cover the benefit costs of its employees participating in the system as determined by policy established by the Board of Trustees of the Arkansas Local Police and Fire Retirement System.

(2) The actuarial valuation determination of the contribution rate shall be based upon financial assumptions established by the board following consultation with the actuary.

(3) The board shall certify annually to the governing body of each employer the determined contribution rate, and each employer shall pay contributions based on the determined rate to the system during the employer's next fiscal year that begins six (6) months or more from the date of the board certification.

(4) The board shall determine required supporting data and the manner, form, and frequency in which payments shall be made.

(5) The board shall establish necessary additional policies regarding volunteer service employers that are required to meet the financial objectives of the system under this subchapter.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Local Police and

Fire Retirement System laws concerning the uniformed contribution rate for volunteer locations and the amount of prior service recognized for new volunteer departments need to be updated to meet the financial objectives of the system; that the sooner these changes are made, the sooner these locations and departments may reap the benefits of this act; and that this act is necessary because time is of the essence so the system may operate efficiently and equitably. 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:

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

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

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

The Amendment was read _____

By: Representative Harris

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Chief Clerk