

ARKANSAS SENATE
87th General Assembly - Regular Session, 2009
Amendment Form

Subtitle of Senate Bill No. 179

"TO INCREASE THE MULTIPLIER USED BY THE LOCAL POLICE AND FIRE
RETIREMENT SYSTEM AND TO FUND THE INCREASED MULTIPLIER BY AN
INCREASE IN THE MEMBER'S CONTRIBUTION."

Amendment No. 1 to Senate Bill No. 179.

Amend Senate Bill No. 179 as originally introduced:

Page 1, delete everything after the Enacting Clause and substitute the following:

"SECTION 1. Arkansas Code § 24-10-404(b), concerning a member's contribution to the Local Police and Fire Retirement System, is amended to read as follows:

(b)(1) If a member's covered employment is not also covered by social security, or if his or her covered employment is also covered by social security and his or her political subdivision has elected Benefit Program 2, as provided in § 24-10-602, and if he or she is receiving pays resulting in paid service credit, his or her contributions to the system shall be six percent (6%) of his or her pays.

(2)(A) Beginning July 1, 2009, the contribution for covered members defined in subdivision (b)(1) of this section shall be eight and one-half percent (8.5%) of his or her pay.

(B) Beginning July 1, 2009, the contribution for paid service members not defined in subdivision (b)(1) of this section shall be two and one-half percent (2.5%) of his or her pay.

~~(2)(3)~~ (3) The contributions shall be made notwithstanding that the minimum salary or wages provided by law for any member shall thereby be changed.

~~(3)(4)~~ (4) Each member shall be deemed to consent and agree to the deductions made and provided for in this section.

~~(4)(5)~~ (5) Payment of a member's pay less the deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered by him or her to a political subdivision, except as to benefits provided by this system.

SECTION 2. Arkansas Code § 24-10-602(a)(1)(A), concerning annuities in the Local Police and Fire Retirement System, is amended to read as follows:

(A) For each year of paid service resulting from



employment:

(i) In a position not also covered by social security, ~~two and seven tenths percent (2.7%)~~ two and ninety-four hundredths percent (2.94%) of his or her final average pay; and

(ii) In a position also covered by social security, ~~one and seven tenths percent (1.7%)~~ one and ninety-four hundredths percent (1.94%) of his or her final average pay.

SECTION 3. Arkansas Code § 24-10-602(a)(2)(A) and (B), concerning annuities in the Local Police and Fire Retirement System, is amended to read as follows:

(A) For each year of paid service rendered on or after the election date of the Benefit Program 2 and before the election is rescinded:

(i) In a position also covered by social security, ~~two and six tenths percent (2.6%)~~ two and ninety-four hundredths percent (2.94%) of the member's final average salary; and

(ii) In a position not covered by social security, ~~three and one tenth percent (3.1%)~~ three and twenty-eight hundredths percent (3.28%) of the member's final average salary.

(B)(i) For each year of paid service rendered before the election date of the Benefit Program 2 or after the election is rescinded:

(a) In a position also covered by social security, ~~one and seven tenths percent (1.7%)~~ one and ninety-four hundredths percent (1.94%) of the member's final average salary; and

(b) In a position not covered by social security, ~~two and seven tenths percent (2.7%)~~ two and ninety-four hundredths percent (2.94%) of the member's final average salary.

(ii) A member who has paid service rendered before the election date of Benefit Program 2 or after the election is rescinded and subsequently readopted may have the paid service rendered on or after July 28, 1995, treated as though the paid service had been rendered after the election date of Benefit Program 2 by paying to the system the actuarial cost of the increased benefit by a single contribution or by an agreement to pay an increased rate of contributions if approved by the board.

(iii) As used in subdivision (a)(2)(B)(ii) of this section, "actuarial cost" means an amount that is the actuarial equivalent of the value of the credited service to be purchased at the time of the purchase, as determined by the system's actuary.

SECTION 4. Arkansas Code § 24-10-602(a)(4), concerning annuities in the Local Police and Fire Retirement System, is amended to read as follows:

~~(4)(A)~~ The total benefit amount computed under ~~subdivision~~ subdivisions (a)(1) and (2) of this section shall not exceed at the time of retirement ~~eighty five percent (85%)~~ one hundred percent (100%) of the final average pay plus the amounts provided in subdivision (a)(5) of this section for volunteer service; and

~~(B) If the member accrued a benefit at any time under Benefit Program 2 described in subdivision (a)(2) of this section, then the total of the amounts computed pursuant to subdivisions (a)(1) and (2) of this section shall not exceed at the time of retirement eighty five percent (85%) of the final average pay plus the amounts provided in subdivision (a)(5) of this section for volunteer service; and~~

SECTION 5. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that economic conditions have resulted in the need to increase retirement benefits; that it is sound public policy to increase the retirement benefit multiplier; and that the increase should be funded by an increase in the member's contribution. 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, 2009."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator G. Jeffress

MMC/MAJ - 02-16-2009 09:25

MMC177

Secretary