Hall of the House of Representatives

95th General Assembly - Regular Session, 2025 Amendment Form

Subtitle of House Bill 1336 TO AMEND THE LAW CONCERNING THE ADMINISTRATION AND BENEFIT PLANS OF THE STATE POLICE RETIREMENT SYSTEM.

Amendment No. 1 to House Bill 1336

Amend House Bill 1336 as originally introduced:

Page 1, delete line 11, and substitute the following: "SYSTEM; TO AMEND THE SURVIVORS' BENEFIT OPTIONS UNDER THE STATE POLICE RETIREMENT SYSTEM; TO AMEND THE PROVISIONS CONCERNING THE TIER TWO DEFERRED RETIREMENT OPTION PLAN UNDER THE STATE POLICE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

AND

Delete the subtitle in its entirety, and substitute the following:

"TO AMEND THE SURVIVORS' BENEFIT OPTIONS UNDER THE STATE POLICE RETIREMENT SYSTEM; AND TO AMEND THE PROVISIONS CONCERNING THE TIER TWO DEFERRED RETIREMENT OPTION PLAN UNDER THE STATE POLICE RETIREMENT SYSTEM."

AND

Delete everything after the enacting clause, and substitute the following: "SECTION 1. Arkansas Code § 24-6-216, as amended by 2025 Acts No. 364,

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is amended to read as follows:

24-6-216. Benefits - Survivor's pension upon death of retirant.

(a)(1) In the event a retirant dies and leaves a spouse to whom the retirant was married, the surviving spouse shall receive a pension equal to seventy-five percent (75%) of the retirant's pension, but only if the spouse has under care the retirant's dependent children whose dates of birth are prior to the retirant's date of retirement.

(2) When the spouse no longer has under care such a dependent child, the pension shall be reduced to fifty percent (50%) of the retirant's pension.

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

(b)(1) In the event a retirant dies and leaves a spouse to whom he or she was married and who does not have under care the retirant's dependent children, the surviving spouse shall receive a pension equal to fifty percent (50%) of the retirant's pension.

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

(c)(1) In the event a retirant dies and does not leave a spouse eligible for a pension as provided for in this section, or in the event the surviving spouse dies or remarries and the pension provided for in subsection (a) of this section is terminated, and there is surviving the retirant a dependent child, or children, each such child shall receive a pension of an equal share of seventy-five percent (75%) of the retirant's pension.

(2) In no case shall the pension payable to any such child exceed twenty-five percent (25%) of the retirant's pension.

(d)(l)(A) A child shall be a dependent child until his or her death, his or her marriage, or his or her attainment of twenty-three (23) years of age, whichever occurs first.

(B) The twenty-three-year maximum age shall also be extended for any child who has been deemed physically or mentally incompetent by a court with jurisdiction over the individual or by the Board of Trustees of the State Police Retirement System, for as long as the incompetency exists.

(2) Once a child ceases to be dependent, his or her annuity shall terminate, and there shall be a redetermination of the amount payable

to any remaining dependent children.

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

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

(f) Before the date his or her first annuity payment becomes due, but not thereafter, a noncontributory Tier I member may elect to <u>Option A60 or</u> <u>Option A120 under § 24-6-408</u>:

(1) Receive his or her annuity as a straight life annuity; or

(2)(A) Have his or her annuity reduced and nominate a beneficiary in accordance with the option provisions of § 24-6-408.

(B) However, in the instance of Option B75 under § 24-6-408(a)(4), the reduced annuity shall be seventy-eight percent (78%) if the retirant's age and his or her beneficiary's age are the same on the first payment due date. The reduced annuity of seventy-eight percent (78%) shall be:

(i) Decreased by three-quarters of one percent (0.75%) for each year the beneficiary's age is less than the retirant's age; or

(ii) Increased by three-quarters of one percent (0.75%), up to a maximum of ninety percent (90%), for each year that the beneficiary's age is more than the retirant's age.

SECTION 2. Arkansas Code § 24-6-408 is amended to read as follows:

24-6-408. Benefit provisions — Election of annuity options <u>Benefits</u> — <u>Survivor's pension upon death of retirant</u>.

(a)(1) In the event a retirant dies and leaves a spouse to whom the retirant was married, the surviving spouse shall receive a pension equal to seventy-five percent (75%) of the retirant's pension, but only if the spouse has under care the retirant's dependent children whose dates of birth are prior to the retirant's date of retirement.

(2) When the spouse no longer has under care such a dependent child, the pension shall be reduced to fifty percent (50%) of the retirant's pension.

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

(b)(1) In the event a retirant dies and leaves a spouse to whom he or she was married and who does not have under care the retirant's dependent children, the surviving spouse shall receive a pension equal to fifty percent (50%) of the retirant's pension.

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

(c)(1) In the event a retirant dies and does not leave a spouse eligible for a pension as provided for in this section, or in the event the surviving spouse dies or remarries and the pension provided for in subsection (a) of this section is terminated, and there is surviving the retirant a dependent child, or children, each such child shall receive a pension of an equal share of seventy-five percent (75%) of the retirant's pension.

(2) In no case shall the pension payable to any such child exceed twenty-five percent (25%) of the retirant's pension.

(d)(1)(A) A child shall be a dependent child until his or her death, his or her marriage, or his or her attainment of twenty-three (23) years of age, whichever occurs first.

(B) The twenty-three-year maximum age shall also be extended for any child who has been deemed physically or mentally incompetent by a court with jurisdiction over the individual or by the Board of Trustees of the State Police Retirement System, for as long as the incompetency exists.

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

(a)(e) A Before the date his or her first annuity payment becomes due, but not thereafter, a member may elect to receive his or her annuity as a straight life annuity or elect to have that annuity reduced and designate a beneficiary in writing and file the elections with the State Police Retirement System before that annuity starting date under one (1) of the following options:

(1) Option A60 - Sixty (60) Months Certain and Life Annuity.(A) Under Option A60, the retirant shall be paid a reduced

annuity for life with the provisions that if the retirant's death occurs before sixty (60) monthly payments have been made, then the full reduced annuity shall continue to be paid for the remainder of the sixty (60) months to such persons and in such shares as the retirant has designated.

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

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

(2) Option Al20 — One Hundred Twenty (120) Monthly Certain and Life Annuity.

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

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

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

(3) Option B50 Fifty Percent (50%) Survivor Beneficiary

(A)(i) Under Option B50, the retirant shall be paid a reduced annuity for life, and upon the retirant's death, one-half (½) of the reduced annuity shall continue throughout the future lifetime of and paid to such person as the retirant has designated.

(ii) The member may elect either:

(a) His or her spouse, to whom the member has

been married for not less than six (6) months immediately preceding the first payment due date; or

(b) A dependent child forty (40) years of age or older who is claimed as a dependent upon the member's federal tax return

for not less than one (1) year immediately preceding the first payment due date.

(B) The reduced annuity to the retirant shall be eightythree percent (83%) if the retirant's age and his or her beneficiary's age are the same on the first payment due date, which shall be decreased by onehalf percent (0.5%) for each year that the beneficiary's age is less than the retirant's age, or which shall be increased by one-half percent (0.5%), up to a maximum of ninety-five percent (95%), for each year that the beneficiary's age is more than the retirant's age.

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

(4) Option B75 — Seventy-Five Percent (75%) Survivor Beneficiary Annuity.

(A)(i) Under Option B75, the retirant shall be paid a reduced annuity for life, and upon the retirant's death, three-fourths $(\frac{3}{4})$ of the reduced annuity shall be continued throughout the future lifetime of and paid to such person as the retirant has designated in writing and filed with the system before his or her annuity starting date.

(ii) The member may elect either:

(a) His or her spouse to whom the member has been married for not less than six (6) months immediately preceding the first payment due date; or

(b) A dependent child forty (40) years of age or older who is claimed as a dependent upon the retirant's federal tax return for not less than one (1) year immediately preceding the first payment due date.

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

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

prospectively.

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

(i) Death of a spouse;

(ii) Divorce or other marriage dissolution from the

member's spouse; or

(iii) Death of the member's dependent child who is forty (40) years of age or older and is designated as a beneficiary under subsection (a) of this section.

(B) The member's election under this subsection shall return the retirant to his or her straight life annuity, or the member may elect Option A60 or Option A120 annuity, to be effective the month following receipt by the system of his or her election.

(2)(f)(1) A retirant who is receiving a straight life or an Option A60 or Option A120 annuity and who marries after retirement or within six (6) months immediately preceding retirement may elect to cancel his or her straight life, Option A60, or Option A120 annuity and may elect Option B50 or Option B75 to provide continuing lifetime benefits to his or her spouse, if the election is:

(A) Submitted on a form approved by the system; and

(B) Received by the system no earlier than six (6) months after the date of the marriage and no later than one (1) year after that date.

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

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

SECTION 3. Arkansas Code § 24-6-411, as amended by Acts 2025, No. 364, is amended to read as follows:

24-6-411. Benefit provisions - Death before retirement.

(a) If an active member with five (5) or more years of actual service, including service for the year immediately preceding his or her death, dies in employer service before retirement, the applicable benefit provided in this section shall be allowed upon the survivor's written application filed

with the State Police Retirement System.

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

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

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

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

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

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

(B) Elected the Option B75 survivor annuity provided for in § 24-6-408; and

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

(2)(A) If the deceased member has satisfied the age and service requirement provided for in § 24-6-404 or had acquired twenty (20) years' actual service, then the spousal annuity shall be payable for life.

(B)(i) If the member had acquired fifteen (15) years' actual service, but had not attained sixty-five (65) years of age, the spousal annuity shall commence at the later of either fifty (50) years of age or his or her age at his or her death and shall be payable until the earlier of his or her remarriage or death.

(ii) Otherwise, the spousal annuity shall commence at

the later of either sixty-two (62) years of age or his or her age at his or her death and shall be payable until the earlier of either his or her remarriage or death.

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

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

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

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

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

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

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

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

(3)(A) A child is considered a dependent child as used in subdivision (d)(1) of this section and for purposes of receiving a survivor's annuity until the child's death, marriage, or attainment of twenty-three (23) years of age, whichever occurs first.

(B) The twenty-three-year maximum age shall be extended for any child who has been deemed physically or mentally incompetent by an Arkansas court of competent jurisdiction or by the Board of Trustees of the State Police Retirement System for as long as the incompetency exists.

(4) 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. (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, 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

(B) Surviving spouse or dependent parents are also the designated beneficiaries of the deceased member.

(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) A refund of the deceased member's accumulated contributions made to the surviving spouse or dependent parents under this subsection precludes any right or future claim to monthly retirement benefits due to the death of the member.

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

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

(h)(1) A surviving spouse of a deceased member whose benefits were terminated due to remarriage under the provisions of this section shall be entitled to a reinstatement of benefits upon the death of any subsequent spouse.

(2) The reinstated benefits shall cease immediately upon the

subsequent remarriage or death of the surviving spouse of the deceased member.

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

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

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

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

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

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

(a)(1) A member's surviving spouse who has the care of the member's dependent child or children shall receive a pension equal to the greater of one thousand eight hundred dollars (\$1,800) per annum or seventy-five percent (75%) of the pension to which the member would have been entitled had he or she retired the day preceding the date of his or her death, even if the member was not eligible to retire.

(2) When the surviving spouse no longer has the care of the dependent child, the pension shall be reduced to the greater of one thousand two hundred dollars (\$1,200) per annum or fifty percent (50%) of the pension to which the member would have been entitled had he or she retired the day preceding the date of his or her death, even if the member was not eligible to retire.

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

(b)(1) A member's surviving spouse who does not have in his or her care the member's dependent child or children shall receive a pension equal to the greater of one thousand two hundred dollars (\$1,200) per annum or fifty percent (50%) of the pension to which the member would have been entitled had he or she retired the day preceding the date of his or her death, even if the member was not eligible to retire.

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

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

(2) The annual pension payable to any such child shall not exceed fifteen percent (15%) of the final average annual salary of the deceased member.

(d)(1) In the event a member who has five (5) or more years of credited service in the State Police Retirement System dies and leaves neither a spouse nor children eligible for pensions provided for in subsections (a)-(c) of this section, and there is surviving the member his or her parents, whom are claimed as dependent upon the member's federal tax return for not less than one (1) year immediately preceding the member's death, each dependent parent shall receive a pension of an equal share of fifty percent (50%) of the pension to which the member would have been entitled had he or she retired the day preceding the date of the member's death, even if the member was not eligible to retire.

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

(e)(1)(A) A child is a dependent child for purposes of receiving a survivor's annuity until the child's death, marriage, or attainment of twenty-three (23) years of age, whichever occurs first.

(B) The twenty-three-year maximum age shall also be extended for any child who has been deemed physically or mentally incompetent by a court with jurisdiction over the individual or by the Board of Trustees of the State Police Retirement System, for as long as the incompetency exists.

(2) Once a child ceases to be a dependent child, his or her

annuity shall terminate and there shall be a redetermination of the amount payable to any remaining dependent children.

(3) The board is authorized to establish through rules a means of verification of a surviving dependent child under this section for purposes of pension benefits.

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

SECTION 4. Arkansas Code § 24-6-504(3), concerning employer contributions to the Arkansas State Police Officers' Tier Two Deferred Retirement Option Plan, is amended to read as follows:

(3) Seventy-two percent (72%) <u>One hundred percent (100%)</u> of the monthly retirement benefits that would have been payable had the employee elected to cease employment and receive a service retirement shall be paid into the Arkansas State Police Officers' Tier Two Deferred Retirement Option Plan account.

SECTION 5. Arkansas Code § 27-53-210(b), concerning the partial reimbursement to the Division of Arkansas State Police for the cost of making copies of motor vehicle accident reports and records of traffic violations, is amended to read as follows:

(b)(1) In order to partially reimburse the division for the cost of making photostatic or written copies of motor vehicle accident reports and copies of records of traffic violations, there shall be charged a fee of ten dollars (\$10.00) twenty-five dollars (\$25.00) for each copy of a basic accident report and a fee of one dollar and fifty cents (\$1.50) per page for each copy of a supplemental report.

(2) All funds collected under this subsection shall immediately be paid over by the division to the Treasurer of State and shall be credited by him or her as a special revenue to the Division of Arkansas State Police Fund <u>with:</u>

(A) Ten dollars (\$10.00) to be used for operations; and (B)(i) Fifteen dollars (\$15.00) to be used for the benefits under §§ 24-6-216, 24-6-408, and 24-6-504.

(ii) The transfers under subdivision (b)(2)(B)(i) of this section shall be limited in use solely for the purpose of funding the State Police Retirement System.

SECTION 6. DO NOT CODIFY. <u>Temporary language.</u>

As of July 1, 2025, all retirants under the Tier Two Benefit Plan for the State Police Retirement System will begin receiving the benefits provided under § 24-6-408.

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas Code concerning the State Police Retirement System are in need of revision and updating to maintain the retirement laws in conformance with sound public pension policy; that the State Police Retirement System operates on a fiscal year of July 1 to June 30; that having a July 1, 2025, 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 State Police Retirement System; and that this act is necessary in order to maintain an orderly system of benefits for the members of the 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, 2025."

The Amendment was read _____ By: Representative Warren JLL/JLL - 03-27-2025 11:34:25 LJH220

Chief Clerk