

1 INTERIM STUDY PROPOSAL 2011-096

2 State of Arkansas

As Engrossed: H2/23/11 H3/9/11

3 88th General Assembly

A Bill

4 Regular Session, 2011

HOUSE BILL 1259

5
6 By: Representative Nickels

7 Filed with: Interim Joint Committee on Public Retirement & Social Security Programs
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT TO REQUIRE LARGE MUNICIPALITIES TO PARTICIPATE
11 IN THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM
12 FOR ALL NEWLY HIRED EMPLOYEES AND ALL NEWLY ELECTED
13 PUBLIC OFFICIALS AND TO ALLOW CURRENT EMPLOYEES TO
14 OPT INTO THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
15 SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

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19 TO REQUIRE LARGE MUNICIPALITIES TO
20 PARTICIPATE IN THE PUBLIC RETIREMENT
21 SYSTEM FOR ALL NEW EMPLOYEES AND NEW
22 PUBLIC OFFICIALS AND TO ALLOW CURRENT
23 EMPLOYEES TO OPT INTO THE PUBLIC SYSTEM.

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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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28 SECTION 1. Arkansas Code § 24-4-303, concerning a municipality's
29 membership in the Arkansas Public Employees' Retirement System, is amended to
30 add a new subsection to read as follows:

31 (d) Beginning January 1, 2012, a municipality that has a retirement
32 plan under § 24-12-101 et seq., and has a population of one hundred thousand
33 (100,000) or more according to the most recent federal decennial census
34 shall:

1 (1) Include all newly hired employees and newly elected public
2 officials in the membership of the Arkansas Public Employees' Retirement
3 System; and

4 (2) Allow current employees and current elected public officials
5 participating in a 401(a) plan, established under Internal Revenue Code, 26
6 U.S.C. § 401(a), or a 401(k) plan, established under Internal Revenue Code,
7 26 U.S.C. § 401(k), to elect to continue participation in the municipality's
8 retirement plan or to establish participation in the Arkansas Public
9 Employees' Retirement System by:

10 (A) Purchasing service credit:

11 (i)(a) From the municipality's retirement plan to
12 transfer into the system.

13 (b) A member shall have at least five (5)
14 years of actual service with the Arkansas Public Employees' Retirement System
15 to retire; or

16 (ii) In a prorated amount by rolling over a 401(a),
17 established under Internal Revenue Code, 26 U.S.C. § 401(a), or a 401(k),
18 established under Internal Revenue Code, 26 U.S.C. § 401(k), into the system;
19 and

20 (B) Notifying the system in writing of the election to
21 participate in the system in a form determined acceptable by the system.

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23 SECTION 2. *Arkansas Code § 24-4-723(a)(3), concerning the purchase of*
24 *service credit for retirement purposes, is amended to read as follows:*

25 (3)(A) The Except as provided in subdivision (a)(3)(B) of this
26 section, a member may pay for all of his or her current service credit or a
27 portion thereof consisting of multiples of one (1) year.

28 (B) From September 1, 2011, through December 31, 2012, a member
29 may roll over a 401(a) plan established under section 401(a) of the Internal
30 Revenue Code, 26 U.S.C. § 401(a), or a 401(k) plan established under section
31 401(k) of the Internal Revenue Code, 26 U.S.C. § 401(k), from a municipal
32 employer to purchase credit in a prorated amount in increments of less than
33 one (1) year.

34 (C) A member shall have at least five (5) years of actual
35 service with the Arkansas Public Employees' Retirement System to retire.

/s/Nickels

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Referred by the Arkansas House of Representatives
Prepared by: MMC/VJF