

INTERIM STUDY PROPOSAL 2009-193

State of Arkansas

87th General Assembly

Fiscal Session, 2010

A Bill

MMC/MMC

HOUSE BILL

By: Representative Kerr

Filed with: Arkansas Legislative Council
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO RESTRICT EMPLOYEES THAT HAVE BEEN
REHIRED FOLLOWING RETIREMENT TO A MAXIMUM OF ONE
HUNDRED EIGHTY DAYS OF EMPLOYMENT; TO RESTRICT
EMPLOYEES THAT HAVE BEEN REHIRED FOLLOWING
RETIREMENT TO ONE TERM OF REEMPLOYMENT; AND FOR
OTHER PURPOSES.

Subtitle

TO RESTRICT EMPLOYEES THAT HAVE BEEN
REHIRED FOLLOWING RETIREMENT TO ONE
HUNDRED EIGHTY DAYS OF EMPLOYMENT AND TO
RESTRICT EMPLOYEES THAT HAVE BEEN
REHIRED FOLLOWING RETIREMENT TO ONE TERM
OF REEMPLOYMENT.

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

SECTION 1. Arkansas Code § 24-4-520(b), concerning restrictions of
employment for retirement purposes, is amended to read as follows:

(b)(1) A member shall not be terminated from employment for retirement
purposes if the person:

(A) Returns to employment in a position covered under the
system within one hundred eighty (180) days of the person's effective date of
retirement; ~~or~~

(B) Is a member with service credit under § 24-4-521 at a rate of two (2) or more years of credited service for each year of actual service and the person returns to employment in a position covered under the system within one hundred eighty (180) days of the person's effective date of retirement;

(C)(i) Resumes employment under subdivision (b)(1)(A) or subdivision (B)(1)(B) of this section for longer than a maximum of one hundred eighty (180) days; or

(D) Resumes employment more than one (1) time following the member's retirement.

(2) A member participating in the Arkansas Public Employees' Retirement System Deferred Retirement Option Plan on January 1, 2009, shall have the one-hundred-eighty-day separation requirement waived and may return to employment otherwise covered by the Arkansas Public Employees Retirement System no sooner than thirty (30) calendar days from the commencement of his or her retirement.

(3) A member who has retired and commenced receiving benefits in any month between January 2009 and June 2009, inclusive, shall have the one-hundred-eighty-day separation requirement waived and may return to employment otherwise covered by the Arkansas Public Employees' Retirement System no sooner than thirty (30) calendar days from the commencement of his or her retirement.

(4) The restrictions on reemployment under subdivisions (b)(1)(C) and (D) of this section shall be waived for a member who has already been rehired following the member's retirement before July 1, 2010.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that retired employees of the Arkansas Public Employees' Retirement System have been rehired for an indefinite period of time; that these employees are drawing their retirement pay and current salary during the period of reemployment; that the rehire of a retired employee only should be used as a stopgap measure and not as a permanent solution to hiring a qualified individual for the position; that limiting the reemployment of a retired individual to one hundred eighty (180) days and to only one rehire following retirement will allow government offices and agencies to rehire a former employee and train new or existing

1 personnel for the job in those instances in which they could not obtain a
2 qualified individual; that since retiring employees generally do not work in
3 entry level positions, the imposition of restrictions on rehires will open up
4 higher level positions and provide incentives to existing staff and
5 prospective employees; and that imposing restrictions will benefit the
6 Arkansas Public Employees' Retirement System and the State of Arkansas.
7 Therefore, an emergency is declared to exist and this act being necessary for
8 the preservation of the public peace, health, and safety shall become
9 effective on July 1, 2010.

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