

State of Arkansas

76th General Assembly

Regular Session, 1987 AS ENGROSSED 2/24/87

HOUSE BILL 1571

By: Representative Hawkins AS ENGROSSED 3/3/87

"AN ACT TO AMEND SUBSECTION (a) SUBSECTION E OF SECTION 1 OF ACT 177 OF 1957, AS AMENDED, [ARK. STAT. 12-2501 E (a)] AND SECTION 3 OF ACT 187 OF 1973, as amended [ARK. STAT. 12-2549.4] TO INCLUDE PROSECUTING ATTORNEYS IN THE DEFINITION OF "EMPLOYEE" IN THE PUBLIC EMPLOYEE RETIREMENT SYSTEM: TO PROVIDE FOR ADDITIONAL PRIOR SERVICE CREDIT; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (a) of subsection E of Section 1 of Act 177 of 1957, as amended, the same being Arkansas Statute 12-2501 E(a), is hereby amended to read as follows:

"(a) 'Employees' means all officers and employees of any office, agency, board, commission or department of a public employer whose compensations were, or are, payable from funds appropriated by said public employer. In addition thereto, the term "employees" shall include all otherwise eligible such employees whose compensations were, or are, payable in whole or part from Federal Funds; and shall also include the official court reporters and stenographers of the Circuit and Chancery Courts of the State and all of the Prosecuting Attorneys of the Judicial Districts of Arkansas. Except members of the General Assembly and those persons eligible for, or receiving benefits from a local Firemen's or Policemen's Pension Fund, the term "employees" shall not include persons who are members of, or who are eligible for benefits under or membership in, any other retirement system, excepting Federal Social Security, which retirement system is supported by State funds and/or is authorized by the laws of the State. In addition to the exceptions listed above, the term "employees" shall, effective July 1, 1983, include those persons who are eligible for benefits from the Teachers Insurance and Annuity

Association (TIAA) but who are otherwise eligible for participation in the System due to employment with a public employer. The term "employees" shall not include those person who are receiving or who begin receiving TIAA benefits while still participating in the System.

Any person who has heretofore been denied coverage under the System due to the fact that such person was eligible for benefits from a local Firemen's or Policemen's Pension Fund or TIAA, shall from the dates of February 11, 1976, and July 1, 1983, respectively become a member of the System if in an otherwise eligible position due to his employment with a public employer, and may at the employee's option receive credit for service rendered to a participating public employer before that date subject to the following conditions:

(i) the person is a participating employee covered under the System at the time of such purchase; or if not participating in the System, such person shall be eligible to purchase this service if the person was in an otherwise eligible position on July 1, 1982, and all contributions and interest are received by the System before January 1, 1984, and

(ii) the member pays, or causes to be paid, all contributions, employee and employer, at the rate and based on the compensation received by such persons during the period of time when the service was rendered, together with interest of six per cent (6%) per annum, compounded annually from the date such service was rendered to the date payment is received by the System. The member may purchase all of such service or any portion thereof in multiples of one (1) year.

(iii) such payment of funds shall be made in one (1) lump sum. In addition to the aforesaid exclusions, the term "employees" specifically shall not include the following:

(1) Persons in the employ of the Arkansas State Police Department who are members of, or who are eligible for benefits under, or membership in the State Police Retirement System, except as otherwise provided by law.

(2) Persons in the employ of the State Department of Education or the Arkansas Teacher Retirement System, except as otherwise provided by law.

(3) Persons in the employ of the University of Arkansas or any other State-supported institution of higher learning, except as otherwise pro-

vided by law.

(4) Judges of the Supreme Court, Circuit Courts, or Chancery Courts.

(5) Persons in the employ of the General Assembly, who are employed on less than a full time regular annual salary basis, except that any person who has served or who hereafter shall serve during at least six (6) legislative sessions as Chief Clerk of the House of Representatives, and who has served in the employ of the General Assembly during at least twelve (12) previous legislative sessions, shall be eligible to receive credited service in the Public Employees Retirement System for any period of employment with the General Assembly since July 1, 1957, provided that:

(a) The employee is now or was in the past an active member of the System with at least ten (10) years of credited service; and

(b) The employee pays or causes to be paid all contributions, employee and employer, that would have been paid had he been a member of the System during those periods of time.

(6) Persons who are in the employ of the State Highway Department.

(7) Persons employed with the intent of working less than 90 calendar days.

(8) Persons employed in the State Penitentiary, who are members of, or who are eligible for benefits under a state retirement system or plan.

(9) Persons who are first employed or those who are re-employed as participants July 1, 1979 or thereafter under the Comprehensive Employment and Training Act (CETA), the same being Public Law 93-203, as amended. Those persons, however, participating in this program prior to July 1, 1979, shall continue to be members of the System while employed by a participating public employer."

SECTION 2. Section 3 of Act 187 of 1973, as amended, the same being Arkansas Statute 12-2549.4, is hereby amended to read as follows:

"Section 3. Any member of the Arkansas Public Employees Retirement System who became or becomes such a member of the date that his employer became or becomes a public employer in the System, and who did not or does not qualify for free prior service credit, shall receive current service credit for employment with a public employer in the system, or with the University of

Arkansas System if such employment was not eligible for coverage or did not participate in a retirement plan authorized by the University of Arkansas and by the laws of the State of Arkansas; provided that he has at least five (5) years of current service credit since becoming a member of the System; provided further that, he pays or causes to be paid all contributions, employee and employer, at the rate, on the compensation that would have been paid had he been a member of the System during that time, together with interest at six percent (6%) per annum, compounded annually from the date that his last public employer entered the System to the date of payment or from the date the service is rendered to the date of payment, whichever is later in time. The compensation to be used in computing such payments shall be the compensation on which contributions would have been made had the person been a member of the System during the time for which current service credit is purchased. Such payment shall be made in a lump sum.

The member may pay for all his prior and interim current service or a portion thereof consisting of multiples of one (1) year.

Any person who served six (6) years as a Prosecuting Attorney between January 1, 1953 and December 31, 1958 but who was not included as a member of the System while serving, and who served two (2) years as a member of the House of Representatives prior to July 1, 1957 and two years as a Municipal Judge subsequent to July 1, 1957, may receive credit in the System for all prior service and current service upon payment of the employee and employer contributions not heretofore paid on the compensation he received for all covered service occurring after June 30, 1957, at the rate in effect at the time the service was rendered, together with interest at six percent (6%) per annum, compounded annually from the date his last public employer entered the System to the date of payment; and he will be eligible for an annuity as provided by the named plan in which he was a member at the time of his last termination of employment, provided his total credited service is ten (10) actual years and that he files his application for an annuity in the manner as provided in the named plan."

SECTION 3. This Act shall be retroactive to June 30, 1957.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the General Assembly that the current retirement law defining employee is unclear; that such should be revised to specifically include prosecuting attorneys of judicial districts; that the purchase of service credit should be expanded for certain employees; that the immediate passage of this Act is necessary to preserve the public health, welfare and safety. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

/s/Bruce Hawkins

