

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Senator Moore

SENATE BILL 280

"AN ACT TO AMEND SUBSECTION 5.03 OF SECTION 5 OF ACT 793 OF 1977, AS AMENDED [SUBSECTION 5.03 OF SECTION 12-3305 OF THE ARKANSAS STATUTES], TO REVISE THE METHOD OF COMPUTING RETIREMENT BENEFITS OF MEMBERS OF THE COUNTY DIVISION OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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

SECTION 1. That subsection 5.03 of Section 5 of Act 793 of 1977, as amended, the same being subsection 5.03 of Section 12-3305 of the Arkansas Statutes, is hereby amended to read as follows:

"5.03. (a) Upon retirement by a member of the State Division, the Municipal Division or the School Division of the Public Employees Retirement System, he shall receive an annuity for life equal to the total of the following amounts: for each year of credited service resulting from employment in a position covered at any time by Social Security or another federal retirement plan in which the State participates by providing matching funds, the difference between 1.8% of his final average pay and 1.25% of his Social Security primary benefit, plus, for each year of credited service resulting from employment in a position never covered by Social Security or another federal retirement plan, 1.8% of his final average pay. At the time of retirement by any member of the State Division, the County Division or the School Division of the Public Employees Retirement System, the total of the named plan annuities, resulting from employment in a position also covered by Social Security, plus his Social Security primary benefit, shall not exceed his final average pay. Provided, in no event shall such named plan annuities be less than such years of credited service multiplied by 0.7% of his final average pay.

(b) Upon retirement by a member of the County Division of the Public

Employees Retirement System, he shall receive an annuity for life equal to the greater of the following amounts: (i) for each year of credited service resulting from employment in a position covered at any time by Social Security or another federal retirement plan in which the State participates by providing matching funds, the difference between 1.8% of his final average pay and 1.25% of his Social Security primary benefit, plus, for each year of credited service resulting from employment in a position never covered by Social Security or another retirement plan, 1.8% of his final average pay; or, (ii) for each year of credited service resulting from employment in a position covered by the County Division of the Public Employees Retirement System, 1.5% of his final average pay. Provided, in no event shall such annuity be less than such years of credited service multiplied by 0.7% of his final average pay."

SECTION 2. EMERGENCY CLAUSE. It is hereby found and determined by the General Assembly that retirement benefits under the County Division of the Public Employees Retirement System non-contributory retirement plan should provide for an optional method of computing retirement benefits which will permit retirement at the greater of either the present method of computation less the Social Security offset, or on the basis of a reduced multiplier without the Social Security offset, and that the immediate passage of this Act is necessary to accomplish said purpose, thereby assuring members of the County Division of the Public Employees Retirement System a more equitable method of computing retirement benefits. Therefore, an emergency is hereby declared to exist and this Act, being necessary for the immediate preservation of the public peace, health, and welfare, shall be in full force and effect from and after its passage and approval.

