

State of Arkansas

76th General Assembly

Regular Session, 1987

SENATE BILL 348

By: Senators Russ and Dowd

"AN ACT TO PROVIDE CERTAIN RETIREMENT INCENTIVES FOR PERSONS
RETIRING FROM THE STATE DIVISION OF THE PUBLIC EMPLOYEES
RETIREMENT SYSTEM OR THE STATE POLICE RETIREMENT SYSTEM
BETWEEN THE EFFECTIVE DATE OF THIS ACT AND JANUARY 1, 1988,
INCLUSIVE, AND FOR OTHER PURPOSES."

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

SECTION 1. In addition to the provisions of Section 11 of Act 177 of 1957, as amended,

(A) A State Employee who is an active member of the System on the effective date of this Act and who is vested for a full age and service annuity and who has credit in the System for three (3) consecutive actual years of service with the State of Arkansas immediately prior to his retirement date may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), and (4) set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive; provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment in which the state is the employer:

(1) In addition to his regular annuity, the System will pay the cost of the employee's health and basic life insurance which he is eligible to continue as a retirant with the State Employees Group Insurance Plan, such payment to be for the retirant's coverage only and to be paid from the date of his retirement until the retirant's death.

(2) For the purpose of computing the State Employee member's annuity, his highest annual salary will be substituted for his final average compensation.

(3) For the purpose of computing the State Employee member's annuity, he will receive additional service credit equal to 10% of his

existing service credit.

(4) A State Employee member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission for salaries.

(B) A State Employee who is an active member of the System on the effective date of this Act and who has credit in the System for three (3) consecutive actual years of service with the State of Arkansas immediately prior to his retirement date and who has credit for not less than ten (10) actual years of service and has attained the age of fifty-five, or has credit for not less than twenty-eight (28) actual years of service regardless of age may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), (4), and (5) as set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive; provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment in which the state is the employer:

(1) the System will pay the cost of the State Employee's health and basic life insurance which he is eligible to continue as a retirant with the State Employees Group Insurance plan, such payment to be for the retirant's coverage only and to be paid from the date of his retirement until the retirant has attained age 65.

(2) for the purpose of computing the State Employee member's annuity, his highest annual salary will be substituted for his final average compensation.

(3) if the State Employee member is within two (2) years of his full annuity age and if he is eligible for an early reduced annuity as provided by Subsection (c) of Subsection B of Section 10 of Act 177 of 1957, as amended, or he is within two years of having thirty (30) years actual credited services, then his annuity will not be reduced because of early retirement.

(4) if the State Employee member is within two years of attaining the service requirement for a full annuity and has attained his full annuity age as provided by Subsection (1) of Subsection A of Section 10 of Act 177 of 1957, as amended, or is within two years of having thirty (30) years actual credited service, then his annuity will not be reduced because of early

retirement.

(5) A State Employee member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission for salaries.

SECTION 2. In addition to the provisions of Subsection D of Section 5 of Act 311 of 1951, as amended,

(A) An employee who is an active member of the System on the effective date of this Act and who is vested for a full age and service annuity and who has credit in the System for three (3) consecutive actual years of service with the Department immediately prior to his retirement date may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), and (4), set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive; provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment with the Department or in which the state is the employer:

(1) in addition to his regular annuity, the System will pay the cost of the member's health insurance he is eligible to continue as a retirant with the Arkansas State Police Employee Health Plan, such payment to be for the retirant's coverage only and to be paid from the date of his retirement until the retirant's death.

(2) for the purpose of computing the member's annuity, his highest annual salary will be substituted for his final average compensation.

(3) for the purpose of computing the member's annuity, he will receive additional service credit equal to 10% of his existing service credit.

(4) a member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission for salaries.

(B) An employee who is an active member of the System on the effective date of this Act and who has credit in the System for three (3) consecutive actual years of service with the Department immediately prior to his retirement date and who has credit for not less than ten (10) actual years of service and has attained the age forty-eight or credit for not less than

eighteen (18) actual years of service regardless of age may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), (4), and (5) as set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive, provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment with the Department or in which the state is the employer:

(1) the System will pay the cost of the member's health insurance he is eligible to continue as a retirant with the Arkansas State Police Employee Health Plan, such payment to be for the retirant's coverage only and to be paid from the date of his retirement until the retirant has attained age 65.

(2) for the purpose of computing the member's annuity, his highest annual salary will be substituted for his final average compensation.

(3) if the member eligible for an early reduced annuity as provided by Paragraph (b) (1) of Subsection D of Section 5 of Act 311 of 1951, as amended, and he is within two (2) years of his full annuity age, or if he has at least 10 years of credit and is within two (2) years of his full annuity age, then his annuity will not be reduced because of early retirement.

(4) if a member has attained his full annuity age as provided by Subsection B of Section 5 of Act 311 of 1951, as amended, and he is within two (2) years of attaining the service requirement for a full annuity, then his annuity will not be reduced because of early retirement.

(5) a member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission, for salaries.

SECTION 3. In addition to the provisions of Subsection 5.03 of Section 5 of Act 793 of 1977, as amended,

(A) A State Employee who is an active member of the Arkansas Public Employees Retirement System on the effective date of this Act and who is vested for a full age and service annuity and who has credit in the System for three (3) consecutive actual years of service with the State of Arkansas immediately prior to his retirement date or a State Police Officer who is an active member of the Arkansas State Police Retirement System on the effective date of this Act and is vested for a full age and service annuity and has cre-

dit for three (3) consecutive actual years of service with the Arkansas State Police Department immediately prior to his retirement date, may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), (4), and (5), as set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive; provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment with the Arkansas State Police Department or in which the state is the employer:

(1) In addition to his regular annuity, the named plan from which the employee retires will pay the cost of the State Employee or the State Police Officer member's health (and basic life) insurance he is eligible to continue as a retirant with the State Employees Group Insurance Plan, or with the Arkansas State Police Employee Health Plan, as the case may be, such payment to be for the retirant's coverage only and to be from the date of his retirement until the retirant's death.

(2) For the purpose of computing the State Employee or the State Police Officer member's annuity, his highest annual salary will be substituted for his final average pay.

(3) For the purpose of computing the State Employee or the State Police Officer member's annuity, he will receive additional service credit equal to 10% of his existing service credit.

(4) For the purpose of computing the State Employee or the State Police Officer member's annuity, the Social Security offset will not be used, notwithstanding his annuity plus his Social Security primary benefit may exceed his final average pay. His annuity will be equal to 1.8% of his final average pay multiplied by the number of years and fraction of a year of credited service with the System, provided a State Police Officer member's annuity will not be less than the amount provided by Paragraph (a) of Subsection D of Section 5 of Act 311 of 1951, as amended, Section 5 of Act 93 of the Extended Session of 1974 and Section 1 of Act 948 of 1975, as amended.

(5) A State Employee or State Police Officer member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission for salaries.

(B) A State Employee who is an active member of the Arkansas Public Employees Retirement System on the effective date of this Act and who has credit in the System for three (3) consecutive actual years of service with the State of Arkansas immediately prior to his retirement date or a State Police Officer who is an active member of the Arkansas State Police Retirement System on the effective date of this Act and has credit for three (3) consecutive actual years of service with the Arkansas State Police Department immediately prior to his retirement date, and who has credit for not less than ten (10) actual years of service and has attained the age for an early reduced annuity or credit for not less than twenty-eight (28) actual years of service regardless of age may choose two (2) of the retirement incentives from paragraphs (1), (2), (3), (4), (5), and (6) as set forth below, provided he retires during the period beginning with the effective date of this Act through January 1, 1988, inclusive; provided further, an employee who participates in this retirement incentive program is not eligible to accept further employment with the Arkansas State Police Department or in which the state is the employer:

(1) the named plan from which the member retires will pay the cost of the State Employee or the State Police Officer member's health (and basic life) insurance he is eligible to continue as a retirant with the State Employees Group Insurance Plan or with the Arkansas State Police Employee Health Plan, as the case may be, such payment to be for the retirant's coverage only and to be paid from the date of his retirement until the retirant has attained age 65.

(2) for the purpose of computing the State Employee or the State Police Officer member's annuity, his highest annual salary will be substituted for his final average pay.

(3) if the State Employee or State Police Officer member is eligible for an early reduced annuity as provided in Subsection 5.07 of Section 5 of Act 793 of 1977, as amended, and he is within two (2) years of his full annuity age, then his annuity will not be reduced because of early retirement.

(4) if a State Employee or State Police Officer member has attained his full annuity age as provided by Subsection 2.09 of Section 2 of Act 793 of 1977 and he is within two years of attaining the credited service requirement for a full annuity, then his annuity will not be reduced because

of early retirement.

(5) for the purpose of computing the State Employee or State Police Officer member's annuity, the Social Security offset will not be used, notwithstanding his annuity plus his Social Security primary benefit may exceed his final average pay. His annuity will be equal to 1.8% of his final average pay multiplied by the number of years and fraction of a year of credited service with the System, provided a State Police Officer member's annuity will not be less than the amount provided by Paragraphs (a) (if (4) above is selected) or (b) (1) (if (4) above is not selected) of Subsection D of Act 311 of 1951, as amended, Section 5 of Act 93 of the Extended Session of 1974, and Section 1 of Act 948 of 1975, as amended.

(6) a State Employee or State Police Officer member may receive a retirement bonus which is a lump sum payment equal to 10% of the final annual salary of the employee not to exceed \$5,000. The retirement bonus shall be paid from funds appropriated to the employee's department, agency or commission for salaries.

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

SECTION 5. Emergency Clause. It is hereby found and determined by the General Assembly that a reduction in work force caused by budgetary constraints may be avoided by offering early retirement incentives; that to offer early retirement incentives and to avoid unnecessary layoffs this Act should take effect immediately upon its passage. Therefore, an emergency is declared 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.

