

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

As Engrossed: H2/21/97

# A Bill

HOUSE BILL 1382

4 By: Representatives Ferrell and Wilkinson

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## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-10-610 TO ELIMINATE THE  
9 INCOME PENALTY ON THE ANNUITY BENEFITS OF THE DISABLED  
10 RETIRANTS AND WIDOWS UNDER THE ARKANSAS LOCAL POLICE AND  
11 FIRE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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## Subtitle

14 "TO REMOVE THE EARNINGS TEST ON THE  
15 ANNUITY BENEFITS OF THE DISABLED AND  
16 WIDOWS UNDER THE ARKANSAS LOPFI  
17 RETIREMENT SYSTEM."

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

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21 SECTION 1. Arkansas Code § 24-10-610 is amended to read as follows:

22 "24-10-610. Limitations on death and disability annuities.

23 (a) If a death annuity is payable on behalf of a member who dies in  
24 employer service before retirement, or for the portion of a disability annuity  
25 payable before a disability retirant's attainment of age fifty-five (55), in  
26 no event shall the total amount of the system annuities based on paid service  
27 exceed one hundred percent (100%) of the amount of his final average pay at  
28 the time of death or disability, as the case may be, less the total of the  
29 following amounts:

30 (1) Workers' compensation, if any, on account of the death or  
31 disability; and

32 (2) Benefits, if any, from social security on account of the death or  
33 disability; and

34 ~~\_\_\_\_\_ (3)(A) If the recipient is a retirant, the remuneration, if any,~~  
35 ~~received by the retirant for personal services rendered by him in any gainful~~  
36 ~~occupation.~~

37 ~~\_\_\_\_\_ (B) If the recipient is a beneficiary, the portion of the~~

1 ~~remuneration, if any, received by the beneficiary for personal services~~  
2 ~~rendered by him in any gainful occupation which is more than the amount of the~~  
3 ~~remuneration being received by the person at the time of the member's~~  
4 ~~termination from covered employment.~~

5 (b)(1) Beginning with the January 1 which is at least twelve (12) full  
6 months after the effective date of an annuity, an amount of final average pay  
7 usable for the purposes of this section shall be redetermined each January 1,  
8 and the redetermined amount shall be applicable for the ensuing year.

9 (2) The redetermined amount shall be the amount of final average  
10 pay at the time of termination of covered employment increased by any  
11 percentage increase in the inflation index for the period from the October  
12 immediately preceding the effective date of the benefit to the October  
13 immediately preceding the January 1."

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15 SECTION 2. No benefit enhancement provided for by this act shall be  
16 implemented if it would cause the publicly supported retirement system's  
17 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
18 amortization. No benefit enhancement provided for by this act shall be  
19 implemented by any publicly supported system which has unfunded actuarial  
20 accrued liabilities being amortized over a period exceeding thirty (30) years  
21 until the unfunded actuarial accrued liability is reduced to a level less than  
22 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.

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24 SECTION 3. All provisions of this act of general and permanent nature  
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
26 Revision Commission shall incorporate the same in the Code.

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28 SECTION 4. If any provisions of this act or the application thereof to  
29 any person or circumstance is held invalid, the invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provisions or application, and to this end the provisions of this  
32 act are declared to be severable.

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34 SECTION 5. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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/s/Rep. Ferrell, et al