

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4
5 By: Senator Hopkins

A Bill

SENATE BILL 102

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 24-6-219 TO CLARIFY THE
10 USE OF THE CONSUMER PRICE INDEX FOR REDETERMINING THE
11 AMOUNT OF THE RETIREMENT BENEFIT PROVISIONS FOR THE STATE
12 POLICE RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
13 OTHER PURPOSES."

Subtitle

14
15 "TO CLARIFY THE METHOD OF USING THE
16 CONSUMER PRICE INDEX FOR REDETERMINING
17 THE RETIREMENT BENEFITS UNDER THE STATE
18 POLICE RETIREMENT SYSTEM."
19

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

22
23 SECTION 1. Arkansas Code § 24-6-219 is amended to read as follows:

24 "24-6-219. Benefits - Redetermination of benefits.

25 (a)~~(1)~~ Each July 1, the State Police Retirement System shall
26 redetermine the amount of each monthly benefit which has been payable by the
27 system for at least twelve (12) full calendar months. The redetermined amount
28 shall be payable for the following twelve (12) calendar months.

29 ~~———— (2)(b)~~ Subject to the maximum stated in ~~subdivision (a)(3)~~ subsection
30 (c) of this section, the redetermined amount shall be the amount of the
31 benefit payable as of the immediately preceding July 1, increased by three
32 percent (3%).

33 ~~———— (3) In no event shall the redetermined amount be less than the amount~~
34 ~~of the benefit otherwise payable nor be more than the amount of the benefit~~
35 ~~otherwise payable multiplied by the following fraction: The numerator shall be~~
36 ~~the average of the consumer price index for the twelve (12) calendar months in~~

1 ~~the calendar year immediately preceding the July 1, but in no event shall it~~
 2 ~~be an amount less than the denominator, which shall be the average of the~~
 3 ~~consumer price index for the twelve (12) calendar months in the calendar year~~
 4 ~~immediately preceding the effective date of the benefit.~~

5 (c) In no event shall the redetermined amount be more than the amount
 6 of the benefit payable as of the immediately preceding July 1 multiplied by
 7 the following fraction:

8 (1) the numerator shall be the average of the consumer price index
 9 for the twelve (12) calendar months in the calendar year immediately preceding
 10 July 1, but in no event an amount less than the denominator; and

11 (2) the denominator shall be the average of the consumer price
 12 index for the twelve (12) calendar months in the calendar year second
 13 preceding the redetermination date.

14 ~~——(b)(d) As used in this section:—~~

15 ~~——(1) "The amount of the benefit otherwise payable" means the monthly~~
 16 ~~amount of benefit which would be payable disregarding the provisions of this~~
 17 ~~section redetermining benefit amounts after retirement;~~

18 ~~——(2)(A) _Consumer price index_ means the Consumer Price Index for All~~
 19 ~~Urban Consumers, as determined by the United States Department of Labor and in~~
 20 ~~effect January 1, 1987.~~

21 ~~——(B) However, should the consumer price index be restructured subsequent~~
 22 ~~to 1986 in a manner materially changing its character, the board, after~~
 23 ~~receiving the advice of the actuary, shall change the application of the~~
 24 ~~consumer price index so that, as far as is practicable, the 1986 intent of the~~
 25 ~~use of the consumer price index shall be continued."~~

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27 SECTION 2. All provisions of this act of general and permanent nature
 28 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 29 Revision Commission shall incorporate the same in the Code.

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31 SECTION 3. If any provisions of this act or the application thereof to
 32 any person or circumstance is held invalid, the invalidity shall not affect
 33 other provisions or applications of the act which can be given effect without
 34 the invalid provisions or application, and to this end the provisions of this
 35 act are declared to be severable.

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1 SECTION 4. All laws and parts of laws in conflict with this act are
2 hereby repealed.

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4 SECTION 5. Emergency. It is hereby found and determined by the
5 Eighty-First General Assembly of the State of Arkansas that the
6 redetermination of benefits provision of the Arkansas State Police Retirement
7 System needs clarification and that the effective administration of the system
8 will be aided by implementing these changes at the beginning of the State's
9 fiscal year. Therefore, in order to promote sound administration in State
10 government, an emergency is hereby declared to exist, and this act being
11 necessary for the immediate preservation of the public peace, health, and
12 safety, shall become effective July 1, 1997.

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