

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

As Engrossed: S2/13/97

A Bill

SENATE BILL 172

4
5 By: Senator Hopkins
6
7

For An Act To Be Entitled

9 "AN ACT TO AMEND VARIOUS SECTIONS OF CHAPTERS 3 AND 4 OF
10 TITLE 24 OF THE ARKANSAS CODE OF 1987, ANNOTATED,
11 REGARDING THE CONTRIBUTORY AND NONCONTRIBUTORY PROVISIONS
12 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) LAW, TO
13 REVISE CONTRIBUTION RATES FOR STATE AGENCIES, TO CREATE
14 THE SCHOOL AND NONSTATE EMPLOYEES DIVISIONS, TO REVISE THE
15 LAW ON DELINQUENT PAYMENTS, TO REVISE THE METHOD OF
16 CALCULATING CONTRIBUTIONS FOR PURCHASING SERVICE CREDIT
17 AND TO CLARIFY AND STANDARDIZE CERTAIN ADMINISTRATIVE
18 PROVISIONS; TO REPEAL NUMEROUS SECTIONS OF CHAPTERS 3 AND
19 4 OF TITLE 24 OF THE ARKANSAS CODE WHICH ARE NO LONGER
20 APPLICABLE; TO DECLARE AN EMERGENCY; AND FOR OTHER
21 PURPOSES."

Subtitle

22
23 "TO AMEND THE CONTRIBUTORY AND
24 NONCONTRIBUTORY PROVISIONS OF THE PERS
25 LAW TO REVISE AND STANDARDIZE CERTAIN
26 ADMINISTRATIVE PROVISIONS AND TO REPEAL
27 NUMEROUS UNUSED SECTIONS."
28
29

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

31

32 SECTION 1. Arkansas Code § 24-3-103 is amended to read as follows:

33 "24-3-103. Financial objectives and actuarial valuation.

34 (a) The general financial objective of each Arkansas public employee
35 retirement plan shall be to establish and receive contributions which,
36 expressed as percentages of active member payroll, will remain approximately

1 level from generation to generation of Arkansas citizens. More specifically,
2 contributions received each year shall be sufficient both:

3 (1) To fully cover the costs of benefit commitments being made to
4 members for their service being rendered in that year; and

5 (2) To make a level payment which, if paid annually over a
6 reasonable period of future years, will fully cover the unfunded costs of
7 benefit commitments for service previously rendered. Alternatively, if the
8 costs of benefit commitments for service previously rendered are overfunded,
9 to deduct a level payment which, if deducted annually over twenty (20) future
10 years, will fully liquidate the overfunded portion of such costs.

11 (b) Each Arkansas public employee retirement plan shall cause an
12 actuarial valuation of the plan or fund to be made at least biennially, and
13 preferably annually, to determine how well the plan is meeting the objectives
14 set forth in subsection (a) of this section.

15 (c) The employer contribution rates to the named plans shall be ~~the~~
16 ~~following percents of active member payroll:~~

| | Contributions |
|------------|---------------|
| | Percents of |
| | Active |
| | Member |
| Named Plan | Payroll |

| | |
|---|---------------|
| Arkansas Teacher Retirement System | 12 |
| Arkansas Public Employees' Retirement System | |
| State Division | 10 |
| County Division | 6 |
| Municipal Division | 6 |
| School Division | 4 |
| Arkansas State Police Retirement System | 22 |

30 as follows:

31 (1) for the Arkansas Teacher Retirement System, twelve percent
32 (12%);

33 (2) for the Arkansas State Police Retirement System, twenty-two
34 percent (22%);

35 (3) for various divisions of the Arkansas Public Retirement
36 System, as directed by the Board of Trustees. Employer rates shall be

1 adjusted prospectively on each July 1, and shall be based on the actuary's
2 determination of the rate required to fund the plan in accordance with the
3 objectives set forth in subsection (a) of this section. The contribution
4 rates shall be the rates determined by the annual actuarial valuation.

5 (d) Subsection (c) of this section shall not be construed as affecting
6 in any way the existing methods of determining the years of credited service
7 for computing benefits or determining retirement eligibility."

8

9 SECTION 2. Arkansas Code § 24-3-104 is amended to read as follows:

10 "24-3-104. Reports.

11 ~~_____ (a) Each Arkansas public employee retirement system annual audit~~
12 ~~prepared by the Division of Legislative Audit shall contain, but shall not be~~
13 ~~limited to:~~

14 ~~_____ (1) A balance sheet;~~

15 ~~_____ (2) A statement of receipts and disbursements;~~

16 ~~_____ (3) A statement of investments acquired and disposed of during the~~
17 ~~year;~~

18 ~~_____ (4) A statement of the rate of investment return from all assets and~~
19 ~~from each type of investment;~~

20 ~~_____ (5) The results of the most recent actuarial valuation of the system;~~
21 ~~and~~

22 ~~_____ (6) A list of investments made during the year audited that favorably~~
23 ~~impact the economic condition and capital investment in the State of Arkansas.~~

24 ~~_____ (7) [Repealed.]~~

25 ~~_____ (b) A copy of the audit report is to be given to the Legislative~~
26 ~~Council and the Governor.~~

27 ~~_____ (c) The financial reports specified in this section shall be in a~~
28 ~~format established by the Legislative Auditor and shall be as concise as~~
29 ~~practicable and in accordance with standards set forth in the Accounting and~~
30 ~~Operating Handbook for Public Employee Retirement Systems published by the~~
31 ~~Municipal Finance Officers Association of the United States and Canada, or as~~
32 ~~prescribed by the Legislative Auditor.~~

33 Each Arkansas public employees retirement system shall have an annual
34 financial audit performed by the Division of Legislative Audit and prepared in
35 accordance with the financial accounting and reporting standards set forth for
36 public pension plans by the Governmental Accounting Standards Board. In

1 addition, if approved by the board of trustees of an Arkansas public employees
 2 retirement system, a system may also select another independent auditor to
 3 perform a separate financial audit of the respective system. Prior to
 4 entering the contract for such additional audit, the public employees
 5 retirement system shall provide the Legislative Joint Auditing Committee the
 6 reasons, in writing, for the need of the additional financial audit. All
 7 contracts for audits shall be in compliance with the State's fiscal laws and
 8 regualtions. A copy of each audit report prepared by another independent
 9 auditor shall be provided to the Legislative Joint Auditing Committee, the
 10 Legislative Council, and the Governor."

11

12 SECTION 3. Arkansas Code § 24-3-201(c), regarding the general benefit
 13 provisions of the Public Employees' Retirement System, is amended to read as
 14 follows:

15 "(c)(1) Total credited service to qualify for a benefit may be service
 16 with named plans and service with the University of Arkansas system, which
 17 service is covered by the retirement system recognized by the University of
 18 Arkansas.

19 (2)(A) The benefit payable by named plans shall be based on
 20 credited service in named plans and on the final average compensation in named
 21 plans.

22 (B) Should a member have less than ~~five (5)~~ four (4) years
 23 of service credited in named plans, final average compensation means the
 24 monthly average of pays to him during his total years of service in named
 25 plans."

26

27 SECTION 4. Arkansas Code § 24-3-205 is amended to read as follows:

28 "24-3-205. Benefit provisions - Redetermination of benefit.

29 (a)(1)(A) Each July 1, the system shall redetermine the amount of each
 30 monthly benefit which has been payable by the system for at least twelve (12)
 31 full calendar months.

32 (B) The redetermined amount shall be payable for the
 33 following twelve (12) calendar months.

34 (2) Subject to the maximum stated in subdivision (3) of this
 35 subsection, such redetermined amount shall be the amount of the benefit
 36 payable as of the immediately preceding July 1 increased by three percent

1 (3%).

2 (3) In no event shall the redetermined amount be ~~less~~ more than
3 the amount of the benefit ~~otherwise payable nor more than the amount of the~~
4 ~~benefit otherwise payable~~ as of the immediately preceding July 1 multiplied by
5 the following fraction:

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

10 (B) The denominator shall be the average of the consumer
11 price index for the December twelve (12) calendar months in the calendar year
12 immediately second preceding the effective date of the benefit redetermination
13 date.

14 ~~_____ (b) As used in this section, the amount of the benefit otherwise~~
15 ~~payable means the monthly amount of benefit which would be payable~~
16 ~~disregarding the provisions redetermining benefit amounts after retirement.~~

17 ~~_____ (c)~~(b)(1) As used in this section, consumer price index means the
18 Consumer Price Index for All Urban Consumers, as determined by the United
19 States Department of Labor and in effect January 1, 1987.

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

25

26 SECTION 5. Subdivision (a)(1)(B) of Arkansas Code § 24-3-206, regarding
27 the PERS-benefit provisions after termination of employment (effective July 1,
28 1997), is amended to read as follows:

29 "(B) If a member has fewer ~~than five (5) actual years of service~~
30 ~~credited~~ years of service than the final average salary requirement in a
31 reciprocal system, then final average pay means the monthly average of pay to
32 him during his total years of service in that system;"

33

34 SECTION 6. Arkansas Code § 24-3-209(b), regarding the death benefit
35 provisions in the PERS, is amended to read as follows:

36 "(b)(1)(A) In the event that a member dies and is not being paid on

1 that date by his employer, due solely to illness incurred before he left the
2 payroll and the death occurs within one (1) year of the last payroll, the
3 member shall be considered, for purposes of this section, to have died as an
4 active member if all other necessary provisions of this section are met.

5 (B) For purposes of computing benefits provided by this
6 section, the deceased member's compensation at the time of death shall be his
7 compensation for the year immediately preceding the cessation of his pay.

8 (2)(A) If an active member with five (5) or more years of
9 credited service does not have credited service for the year immediately
10 preceding death due to illness which eventually leads to his death or due to
11 his employer's removing the member from the payroll because of temporary
12 economic conditions of the employer or weather conditions, the active member
13 shall be considered, only for eligibility purposes of this section, to have
14 credited service for the year preceding death.

15 (B) Benefits shall be paid according to the compensation
16 earned during the year preceding death.

17 (3) If a member died between July 1, 1982, and March 22, 1983,
18 his surviving spouse, dependent children, or dependent parents shall be
19 eligible for the benefits provided in this section if the member's
20 contributions have not been refunded or, if refunded, if the contributions and
21 interest are repaid to the system plus ~~six percent (6%) compound interest~~
22 regular interest as defined by § 24-4-101(19) from the date withdrawn to the
23 date repaid.

24 (4) The effective date of benefits provided in this section shall
25 in no event be prior to the first day of the calendar month next following the
26 date payment is received by the system."

27

28 SECTION 7. Subdivision (7) of Arkansas Code § 24-4-101, regarding the
29 definitions for the Public Employees' Retirement System, is amended to read as
30 follows:

31 "(7)(A)(i) Employees means all officers and employees of any office,
32 agency, board, commission, including the Department of Higher Education, or
33 department of a public employer whose compensations were, or are, payable from
34 funds appropriated by the public employer and all otherwise eligible employees
35 whose compensations were, or are, payable in whole or part from federal funds,
36 as well as the official court reporters and stenographers of the circuit and

1 chancery courts of the state and all of the prosecuting attorneys of the
2 judicial districts of Arkansas. In addition, the term employees shall,
3 effective July 1, 1983, include those persons who are eligible for benefits
4 from the Teachers Insurance and Annuity Association but who are otherwise
5 eligible for participation in the system due to employment with a public
6 employer. However, the term employees shall not include those persons who are
7 receiving or who begin receiving Teachers Insurance and Annuity Association
8 benefits while still participating in the system.

9 ~~—— (ii) Any person who has heretofore been denied coverage under the
10 system due to the fact that the person was eligible for benefits from a local
11 firemen's or policemen's pension fund or the Teachers Insurance and Annuity
12 Association shall, from the dates of February 11, 1976, and July 1, 1983,
13 respectively, become a member of the system if in an otherwise eligible
14 position due to his employment with a public employer and may, at the
15 employee's option, receive credit for service rendered to a participating
16 public employer before that date, subject to the following conditions:~~

17 ~~—— (a) The person is a participating employee covered under the system at
18 the time of the purchase; or, if not participating in the system, the person
19 shall be eligible to purchase the service if the person was in an otherwise
20 eligible position on July 1, 1982, and all contributions and interest were
21 received by the system before January 1, 1984; and~~

22 ~~—— (b) The member pays, or causes to be paid, all employer or employee
23 contributions at the rate and based on the compensation received by the person
24 during the period of time when the service was rendered, together with
25 interest of six percent (6%) per annum, compounded annually from the date the
26 service was rendered to the date payment is received by the system. The
27 member may purchase all of the service or any portion thereof in multiples of
28 one (1) year; and~~

29 ~~—— (c) The payment of funds shall be made in one (1) lump sum.~~

30 ~~—— (iii)(ii)~~ (ii) Any person who has heretofore been denied
31 coverage under the system due to the fact that the person was or is paid from
32 a grant instead of funds appropriated by the public employer, shall from July
33 1, 1991, become a member of the system if in an otherwise eligible position
34 due to his being an employee of a public employer, and a member may at his
35 option receive credit for service rendered before that date as an employee
36 paid from a grant, subject to the following conditions:

1 (a) The member is a participating employee covered
2 under the system at the time of the purchase; and

3 (b) The member furnishes proof, in a form required by
4 the system, of the service and compensation received; and

5 (c) The member pays, or causes to be paid, all
6 ~~employee and employer contributions at the rate and based on the compensation~~
7 ~~received by the member during the period of time when the service was~~
8 ~~rendered, together with interest of six percent (6%) per annum, compounded~~
9 ~~annually from the date the service was rendered to the date payment is~~
10 ~~received by the system~~ that would have been paid had he been a member during
11 that time, all employer contributions based on the employer normal cost from
12 the most recently completed regular annual actuarial valuation and the
13 compensation that would have been paid had he been a member during that time,
14 and regular interest on the employee and employer contributions. The interest
15 shall be computed from the date the service was rendered to the date the
16 payment is received by the system. The member may purchase all of the service
17 or any portion thereof in multiples of one (1) year; and

18 (d) The payment of funds shall be made in one (1)
19 lump sum; and

20 (e) Any person who, prior to the effectiveness of
21 this provision, has been removed from membership in the Arkansas Public
22 Employees' Retirement System because of eligibility for membership in a local
23 firemen's pension fund as a volunteer fire fighter may restore the refunded
24 service and establish subsequent service by paying or causing to be paid to
25 the Arkansas Public Employees' Retirement System the refunded contributions
26 and the legally required contributions for subsequent service.

27 (B) Excepting members of the General Assembly, those persons
28 eligible for, or receiving benefits from, a local firemen's or policemen's
29 pension fund, those persons eligible for or participating in a local firemen's
30 pension fund because of their status as volunteer fire fighters and those
31 persons eligible for or receiving benefits from the State Police Retirement
32 System who have been elected to the office of county sheriff, a local
33 firemen's or policemen's pension fund, the term employees shall not include
34 persons who are members of, or who are eligible for benefits under or
35 membership in, any other retirement system, excepting federal social security,
36 which retirement system is supported by state funds or is authorized by the

1 laws of the state. In addition, the term employees specifically shall not
2 include the following:

3 (i) Persons in the employ of the Department of Arkansas
4 State Police who are members of, or who are eligible for benefits under or
5 membership in, the State Police Retirement System, except as otherwise
6 provided by law, or those persons elected to the office of county sheriff;

7 (ii) Persons in the employ of the Department of Education
8 or the Arkansas Teacher Retirement System, except as otherwise provided by
9 law;

10 (iii) Persons in the employ of the University of Arkansas
11 or any other state-supported institution of higher learning, except as
12 otherwise provided by law;

13 (iv) Justices of the Supreme Court, judges of circuit
14 courts, or judges of chancery courts;

15 (v) Persons in the employ of the General Assembly who are
16 employed on a less than full-time regular annual salary basis, except that any
17 person who has served or who shall serve during at least six (6) legislative
18 sessions as Chief Clerk of the House of Representatives, and who has served in
19 the employ of the General Assembly during at least twelve (12) previous
20 legislative sessions, shall be eligible to receive credited service in the
21 Arkansas Public Employees' Retirement System for any period of employment with
22 the General Assembly since July 1, 1957, but only if the employee is, or was,
23 an active member of the system with at least ten (10) years of credited
24 service and only if the employee pays, or causes to be paid, all employee ~~and~~
25 ~~employer~~ contributions at the rate and on the compensation that would have
26 been paid had he been a member of the system during those periods of time, all
27 employer contributions based on the employer normal cost from the most
28 recently completed regular annual actuarial valuation and the compensation
29 that would have been paid had he been a member during those periods of time,
30 and regular interest on the employee and employer contributions computed from
31 the date of service to the date the payment is received by the system;

32 (vi) Persons who are in the employ of the Arkansas State
33 Highway and Transportation Department;

34 (vii) Persons employed with the intent of working fewer
35 than ninety (90) calendar days;

36 ~~_____ (viii) Persons employed in the Department of Correction,~~

1 ~~who are members of, or who are eligible for benefits under, a state retirement~~
2 ~~system or plan;~~

3 _____(ix)(viii) Persons who are first employed or those who are
4 reemployed as participants on or after July 1, 1979, under the Comprehensive
5 Employment and Training Act. However, those persons participating in the
6 program prior to July 1, 1979, shall continue to be members of the system
7 while employed by a participating public employer.

8 (C) In any case of doubt as to who is an employee within the
9 meaning of this act, the board shall have the final power to decide the
10 question;"

11

12 SECTION 8. Arkansas Code § 24-4-201 is amended to read as follows:

13 "24-4-201. Arkansas Public Employees' Retirement System Fund - Creation
14 - Division accounts.

15 (a)(1) There is established on the books of the Treasurer of State, the
16 Auditor of State, and the Director of the Department of Finance and
17 Administration a fund to be known as the Arkansas Public Employees' Retirement
18 System Fund.

19 (2) This fund shall consist of trust funds as provided by law and
20 shall be used for the payment of personal services, operating expenses,
21 investments, benefits, refunds, and for such other purposes as may be
22 authorized by law.

23 (b)(1) The Arkansas Public Employees' Retirement System shall consist
24 of ~~three (3)~~ five (5) divisions, namely, the State Division, for the
25 participation of state employees; the County Division, for the participation
26 of county employees; ~~and~~ the Municipal Division, for the participation of
27 municipal employees; the School Division, for the participation of certain
28 school employees; and the Other Nonstate Division, for the participation of
29 certain other nonstate employees. In addition, the board shall have the
30 authority to establish other Divisions as necessary.

31 (2) Separate accounting of the fund's transactions shall be
32 maintained for each division, showing the equities of each division in the
33 assets of the system.

34 (3) The retirement system accounts shall be the members' deposit
35 account, the employers' accumulation account, the retirement reserve account,
36 the income account, and such other accounts as the board shall establish from

1 time to time.

2 ~~_____ (4) Each account shall be maintained by the board for the State~~
3 ~~Division, the County Division, and the Municipal Division, respectively."~~

4
5 SECTION 9. Arkansas Code § 24-4-202 is amended to read as follows:

6 "24-4-202. Arkansas Public Employees' Retirement System Fund -
7 Contributions.

8 (a)(1) The state employer contributions provided for in ~~this act~~
9 § 24-3-103 shall be paid by state warrant, or bank check, or electronic
10 transfer by the state agency which employs each member.

11 (2) The employer's contribution shall be paid to the Arkansas
12 Public Employees' Retirement System Fund at the time and with the frequency
13 established by the board and shall be paid concurrently with the contributions
14 made by its employees to the fund.

15 (b)(1) In the case of employees receiving part or all of their
16 compensation from federal funds, the disbursing officer of the agency
17 receiving the federal funds shall transmit such sums to the ~~Treasurer of State~~
18 Arkansas Public Employees' Retirement System Fund from federal funds of the
19 agency.

20 (2) These sums shall be those sums of money which are necessary
21 to provide the employer contributions provided for in ~~this act~~ § 24-3-103,
22 based on the portions of the employees' compensation payable from federal
23 funds.

24 ~~_____ (3) All contributions received by the Treasurer of State shall be~~
25 ~~credited to the Arkansas Public Employees' Retirement System Fund.~~

26 (c)(1) In the case of nonstate employees, each participating public
27 employer shall pay into the Arkansas Public Employees' Retirement System Fund
28 such sums of money as are necessary to provide the participating public
29 employer's contributions provided for in ~~this act~~ § 24-3-103.

30 (2) The participating public employer's contributions shall be
31 paid at the time and with the frequency established by the board and shall be
32 paid concurrently with the contributions made by its employees to the fund.

33 (3) The employer's contributions shall be transmitted to the
34 ~~Treasurer of State~~ Arkansas Public Employees' Retirement System Fund in such
35 form and manner, together with such supporting data, as the board shall
36 prescribe from time to time.

1 (d) In the case of circuit and chancery court reporters, the public
2 employer contributions shall be paid, when directed by the board, by the
3 respective counties in the proportion that each county pays the total salaries
4 of the circuit and chancery court reporters.

5 (e)(1) In the case of regional airport authority employees, public
6 facilities board employees, rural waterworks facilities board employees,
7 regional solid waste management board employees, joint county and municipal
8 sanitation authority employees, and regional water distribution board
9 employees, each participating employer shall pay into the Arkansas Public
10 Employees' Retirement System Fund such sums of money as are necessary to
11 provide the employer's contribution, as directed by the Board of Trustees of
12 the Arkansas Public Employees' Retirement System.

13 (2) The contribution shall be transmitted to the Arkansas Public
14 Employees' Retirement System, together with such supporting data as the Board
15 of Trustees of the Arkansas Public Employees' Retirement System shall
16 prescribe from time to time.

17 (f)(1) If any participating public employer fails to remit to the
18 System those moneys which are required by law or regulation by the date and at
19 the frequency established by the Board, the System shall impose a penalty
20 equal to the actuarially assumed rate of return on investments of the fund in
21 the form of interest on an annual basis on the moneys due.

22 (2) This interest shall be computed on the actual days of
23 delinquency and shall be paid to the System for the purpose of reimbursing the
24 trust fund for the money which would have been earned on the moneys had they
25 been paid when due.

26 (3) The interest penalty shall be determined by the System on the
27 date the delinquent funds are received, and a statement of the interest shall
28 be sent to the participating public employer.

29 (4) If the interest penalty or delinquent moneys are not received
30 by the System by the last business day of the month in which the moneys were
31 originally due, then the System shall cause the sums of moneys, including
32 interest, to be transferred from any moneys due the participating public
33 employer from the office of the Treasurer of State or the Department of
34 Education as approved in § 19-5-106(a)(5).

35 (g)(1) If any participating public employer fails to file with the
36 System the retirement report by the date established by the Board, the System

1 shall impose a penalty of one hundred fifty dollars (\$150) for each time the
2 report is late.

3 (2) A statement of the penalty shall be sent to the participating
4 employer.

5 (3) If the penalty is not received by the last business day of
6 the month in which the report was due, then the System shall cause the amount
7 to be transferred from any moneys due the participating public employer from
8 the office of the Treasurer of State or the Department of Education as
9 provided in § 19-5-106(a)(5)."

10

11 SECTION 10. Arkansas Code § 24-4-209 is amended to read as follows:

12 "24-4-209. Interest.

13 (a) At the end of each fiscal year, the board may allow ~~regular~~
14 ~~interest~~ the crediting of interest at an amount to be determined on the
15 balance at the beginning of the fiscal year in the members' deposit account
16 and the employers' accumulation account.

17 (b) The board shall be required to allow regular interest at the end of
18 each fiscal year on the year's mean balance in the retirement reserve account.

19 (c) The interest allowed under subsections (a) and (b) of this section
20 shall be credited annually by the board to the accounts and shall be paid from
21 the income account."

22

23 SECTION 11. Arkansas Code § 24-4-210 is amended to read as follows:

24 "24-4-210. Transfer of funds to cover retired county constitutional
25 officers.

26 (a)(1) On July 1, 1979, the actuary for the Arkansas Public Employees'
27 Retirement System shall make a determination of the amount necessary to be
28 collected on a monthly basis during the ensuing one hundred twenty (120)
29 months to set up the Retirement Reserve Fund for all persons retired as
30 elected county constitutional officers on July 1, 1978.

31 (2) The amount, as determined by the actuary, shall be certified
32 by the Board of Trustees of the Arkansas Public Employees' Retirement System
33 to the Chief Fiscal Officer of the State. He shall in turn cause the amount so
34 certified to be transferred in equal monthly installments from the County Aid
35 Fund or from any other general revenue fund authorized by law for the purpose,
36 from general revenues allocated thereto to counties, to the Arkansas Public

1 Employees' Retirement System Fund for credit to the County Constitutional
2 Officers' Subdivision.

3 (3) The amounts so certified shall also include regular interest
4 which would have been collected by the system ~~at a six percent (6%) annual~~
5 ~~compound rate.~~

6 (b)(1) As additional persons are retired under the provisions of the
7 County Constitutional Officers' Subdivision after July 1, 1978, the retirement
8 reserve amount as determined by the system's actuary shall be certified to the
9 Chief Fiscal Officer of the State by the Board of Trustees of the Arkansas
10 Public Employees' Retirement System.

11 (2) The Chief Fiscal Officer of the State shall then cause the
12 amount so certified to be transferred in one (1) lump sum from the County Aid
13 Fund or from any other general revenue fund authorized by law for the purpose,
14 from general revenues allocated thereto to counties, to the Arkansas Public
15 Employees' Retirement System Fund for credit to the County Constitutional
16 Officers' Subdivision."

17

18 SECTION 12. Arkansas Code § 24-4-301(d), regarding PERS membership as a
19 condition of employment, is amended to read as follows:

20 "(d)(1) From and after July 1, 1973, all elected and appointed state
21 and county constitutional officials shall be or become members of the system.

22 (2) Any current member of the system who has service prior to
23 July 1, 1973, as an elected or appointed constitutional official, which
24 service is not credited to his retirement account because the member elected
25 not to become a member of the system during that time, shall receive credited
26 service for that time, but only if:

27 (A) The person is a contributing member of the system on
28 the date the service is purchased and the person has, at the time of purchase,
29 at least two (2) years of credited service in the system;

30 (B) The member buys all of the service rendered during the
31 period of time in which he did not participate in the system;

32 (C) The member pays ~~the contributions that would have been~~
33 ~~paid on the service at the time the service was rendered plus six percent (6%)~~
34 ~~annual compound interest on the amount from the date the service was rendered~~
35 ~~to the date payment is received; and~~

36 ~~(D) The member pays or causes to be paid the employer contribution that~~

1 ~~would have been paid on the service at the time the service was rendered plus~~
 2 ~~six percent (6%) annual compound interest on the amount from the date the~~
 3 ~~service was rendered to the date payment is received or causes to be paid, all~~
 4 employee contributions at the rate and on the compensation that would have
 5 been paid had he been a member of the system during that period of time, all
 6 employer contributions based on the employer normal cost from the most
 7 recently completed regular annual actuarial valuation and the compensation
 8 that would have been paid had he been a member during that time, and regular
 9 interest on the employee and employer contributions computed from the date the
 10 service was rendered to the date the payment is received by the system."

11

12 SECTION 13. Arkansas Code § 24-4-401(a) is amended to read as follows:

13 "(a)(1) The members' deposit account shall be the account in which
 14 members' contributions shall be accumulated ~~at regular interest~~ with interest
 15 as stipulated by subsection (a) of § 24-4-209 and from which shall be made
 16 transfers and refunds of contributions or accumulated contributions as
 17 provided in this act.

18 (2) Upon the retirement of a member, his accumulated
 19 contributions standing to his credit in the members' deposit account shall be
 20 transferred to the retirement reserve account."

21

22 SECTION 14. Arkansas Code § 24-4-402 is amended to read as follows:

23 "24-4-402. Contributions of state and counties - Accounts of retirement
24 system.

25 (a)(1) The employers' accumulation account shall be the account in
 26 which shall be accumulated the contributions made by public employers to the
 27 Arkansas Public Employees' Retirement System.

28 (2) Upon the retirement of a member, the difference between his
 29 annuity reserve and his accumulated contributions standing to his credit in
 30 the members' deposit account shall be transferred from the employers'
 31 accumulation account to the retirement reserve account.

32 (b)(1) The state employer contributions shall be ~~ten percent (10%) a~~
 33 set percentage rate of the compensations of state employees who are members.
 34 The rate of percentage shall be set by the board as provided for by
 35 § 24-3-103.

36 ~~(2) The Board of Trustees of the Arkansas Public Employees' Retirement~~

1 ~~System shall certify to the General Assembly, prior to each session thereof,~~
2 ~~the contributions to be made by the state for the ensuing biennium.~~

3 ~~—— (3) In the event the state's contributions for any biennium are less~~
4 ~~than one hundred forty percent (140%) of the total of the state employee~~
5 ~~members' contributions for the biennium, the amount of the deficiency shall be~~
6 ~~added to the state's contributions to be made in the succeeding biennium.~~

7 ~~———— (4)(2) The state's contributions, when paid into the Arkansas~~
8 ~~Public Employees' Retirement System Fund, shall be credited to the employers'~~
9 ~~accumulation account.~~

10 (c)(1) The employer contributions to be paid by each participating
11 public employer, other than the state, shall be ~~ten percent (10%)~~ a set
12 percentage rate of the compensations of its employees who are members. The
13 rate of percentage shall be set by the board as provided for by § 24-3-103.

14 (2) The participating public employers' contributions, when paid
15 into the fund, shall be credited to the employers' accumulation account.

16 (d)(1) The retirement reserve account shall be the account from which
17 all annuities shall be paid as provided for in this act.

18 (2) If a disability retirant returns to the employ of a public
19 employer, his annuity reserve at that time shall be transferred from the
20 retirement reserve account to the members' deposit account and the employers'
21 accumulation account in the same proportion as the annuity reserve was
22 originally transferred to the retirement reserve account.

23 (e)(1) The income account shall be the account to which shall be
24 credited all interest, dividends, and other income from investments of the
25 system, all gifts and bequests received by the system, and all other moneys,
26 the disposition of which is not specifically provided for in this act.

27 (2) There shall be paid or transferred from the income account
28 all amounts required to credit regular interest to the various divisions of
29 the members' deposit account, employers' accumulation account, and the
30 retirement reserve account, as provided in this act.

31 (3) Whenever the board determines that the balance in the income
32 account is more than sufficient to cover current charges to the account, the
33 excess may be transferred by the board to any of the other accounts of the
34 system to cover special needs of the accounts."

35

36 SECTION 15. Arkansas Code § 24-4-508(c) is amended to read as follows:

1 (c)(1) Total credited service to qualify for a benefit may be service
2 with the Arkansas Public Employees' Retirement System and service with the
3 University of Arkansas system, which service is covered by the retirement
4 system recognized by the University of Arkansas.

5 (2) The benefit payable by the system shall be based on credited
6 service in the system and on the final average compensation in the system.
7 However, should a member have less than ~~five (5)~~ four (4) years of credited
8 service in the system, final average compensation means the monthly average
9 of pays to him during his total years of service in the system."

10

11 SECTION 16. Arkansas Code § 24-4-514 is amended to read as follows:

12 "24-4-514. Credit for educational leave.

13 (a) As used in this section, unless the context otherwise requires:

14 (1) Educational leave means a leave of absence from employment
15 in a position covered by the Arkansas Public Employees' Retirement System to
16 pursue a degree from an institution of higher education.

17 (2) System means the Arkansas Public Employees' Retirement
18 System.

19 (b) On or after July 1, 1987, any person who is a member of the system
20 and who is not receiving benefits under the system on July 1, 1987, shall be
21 entitled to purchase credited service in the system for a period not to exceed
22 twelve (12) months, for actual time spent on educational leave, provided that
23 the person:

24 (1) Has ten (10) or more years of creditable service with the
25 system; and

26 (2) Was paid a stipend during the period of educational leave;
27 and

28 (3) Had creditable service before and for at least two (2) years
29 after the period of educational leave; and

30 ~~(4)(A) Contributes to the members' deposit account a sum of money
31 equal to the amount he would have contributed if he was participating as a
32 contributory member in the system during the educational leave and interest
33 thereon at the rate of six percent (6%), together with an amount equal to the
34 employer matching contribution and interest thereon at the rate of six percent
35 (6%) based upon the rate and salary effective at the time the educational
36 leave began~~ Pays or causes to be paid the sum of, all employee contributions

1 at the rate and on the compensation that would have been paid had he been a
2 member of the system during that period of time, all employer contributions
3 based on the employer normal cost from the most recently completed regular
4 annual actuarial valuation and the compensation that would have been paid had
5 he been a member during that time, and regular interest on the employee and
6 employer contributions computed from the date of the educational leave to the
7 date the payment is received by the system.

8 ~~—— (B) Interest shall be computed from the date the member returned to~~
9 ~~employment from educational leave."~~

10

11 SECTION 17. Arkansas Code § 24-4-516 is amended to read as follows:

12 "24-4-516. Credit for lost credited service due to work-related injury.

13 (a) Any member of the Arkansas Public Employees' Retirement System who
14 suffers from or who has suffered in the past from a work-related injury for
15 which workers' compensation benefits were paid under the workers' compensation
16 laws, and whose annuity from the system would otherwise be reduced due to the
17 reduced salary and lost credited service, shall be entitled to obtain credited
18 service for the actual time period of reduced salary and lost service credit
19 by paying to the system ~~the amount of money both he and the employer would~~
20 ~~have contributed had his salary not been reduced, plus interest at the rate of~~
21 ~~six percent (6%) per annum, compounded, calculated from the date the~~
22 ~~contributions would have been made until the date payment is made to the~~
23 ~~system~~ all employee contributions at the rate and on the compensation that
24 would have been paid had he been a member of the system during that time, all
25 employer contributions based on the employer normal cost from the most
26 recently completed regular annual actuarial valuation and the compensation
27 that would have been paid had he been a member during that time, and regular
28 interest on the employee and employer contributions computed from the date the
29 service would have been rendered to the date the payment is received by the
30 system.

31 (b) Provided, however, at the discretion of the employer, any employer
32 under the system may elect to implement a policy to pay the employer's portion
33 of any contributions that an employee would otherwise be responsible to pay
34 under this section to receive the service credit."

35

36 SECTION 18. Arkansas Code § 24-4-517 is amended to read as follows:

1 "24-4-517. State service under a federal grant.

2 (a) As used in this section, state service under a federal grant means
3 service rendered to any state agency while detailed or assigned to the agency
4 under the terms of a federal grant agreement between an agency of the federal
5 government and a state agency to perform services for the state agency and to
6 be under the supervision of state administrators while being paid from federal
7 grant funds awarded to the state agency and withheld from the federal grant
8 moneys.

9 (b) From and after January 1, 1995, any person who is or was a member
10 of the Arkansas Public Employees' Retirement System shall be entitled to
11 purchase credited service in the system for a period not to exceed three (3)
12 years for state service under a federal grant, but only if the person:

13 (1) Has at least ten (10) years of credited service with the
14 system;

15 (2) Is not receiving or was not eligible to receive any
16 retirement benefits paid by another retirement system for the period of time
17 for which he is claiming state service under a federal grant, except for
18 social security benefits, if the person had left on deposit the contributions
19 to the other system.

20 (3)(A)(i) Pays, or causes to be paid, all employee ~~and employer~~
21 ~~contributions at the rate and based on the compensation received by the member~~
22 ~~during the period of time when the service was rendered, together with~~
23 ~~interest of six percent (6%) per annum, compounded annually~~ contributions at
24 the rate and on the compensation that would have been paid had he been a
25 member of the system during that time, all employer contributions based on the
26 employer normal cost from the most recently completed regular annual actuarial
27 valuation and the compensation that would have been paid had he been a member
28 during that time, and regular interest on the employee and employer
29 contributions computed from the date the service was rendered to the date
30 payment is received by the system;

31 (ii) The member may purchase all of the service or
32 any portion thereof in multiples of one (1) year.

33 (iii) The payment of funds shall be made in one (1)
34 lump.

35 (B) Provided that, if the employee leaves state employment
36 before seven (7) years after the purchase of credited service under this

1 section, the cost of the purchased service shall be refunded to the employee
2 and credited service removed; and

3 (4) Has otherwise complied with any and all other rules and
4 regulations as the Board of Trustees of the Arkansas Public Employees'
5 Retirement System may from time to time adopt under this section."

6

7 SECTION 19. Arkansas Code § 24-4-607 is amended to read as follows:

8 "24-4-607. Redetermination of benefits.

9 (a)(1) Each July 1, the Arkansas Public Employees' Retirement System
10 shall redetermine the amount of each monthly benefit which has been payable by
11 the system for at least twelve (12) full calendar months. The redetermined
12 amount shall be payable for the following twelve (12) calendar months.

13 (2) Subject to the maximum stated in subdivision (3) of this
14 subsection, such redetermined amount shall be the amount of the benefit
15 payable as of the immediately preceding July 1, increased by three percent
16 (3%).

17 (3) In no event shall the redetermined amount be ~~less~~ more than
18 the amount of the benefit ~~otherwise payable or more than the amount of the~~
19 ~~benefit otherwise payable~~ as of the immediately preceding July 1 multiplied by
20 the following fraction:

21 (A) The numerator shall be the average of the consumer
22 price index for the twelve (12) calendar months in the calendar year
23 immediately preceding July 1, but in no event an amount less than the
24 denominator; and

25 (B) The denominator shall be the average of the consumer
26 price index for the twelve (12) calendar months in the calendar year
27 ~~immediately second~~ second preceding the ~~effective redetermination date of the~~
28 ~~benefit.~~

29 ~~_____ (b)(1) As used in this section, the amount of the benefit otherwise~~
30 ~~payable means the monthly amount of benefit which would be payable~~
31 ~~disregarding the provisions of this section redetermining benefit amounts~~
32 ~~after retirement.~~

33 ~~_____ (2)(b)~~ (2)(b) As used in this section, consumer price index means the Consumer
34 Price Index for All Urban Consumers, as determined by the United States
35 Department of Labor and in effect January 1, 1987. However, should the
36 consumer price index be restructured subsequent to 1986 in a manner materially

1 changing its character, the Board of Trustees of the Arkansas Public
2 Employees' Retirement System, after receiving the advice of the actuary, shall
3 change the application of the consumer price index so that, as far as is
4 practicable, the 1986 intent of the use of the consumer price index shall be
5 continued."

6

7 SECTION 20. Arkansas Code § 24-4-608(b) is amended to read as follows:

8 "(b)(1)(A) In the event that a member dies and is not being paid on
9 that date by his employer due solely to illness incurred before he left the
10 payroll and the death occurs within one (1) year of the last payroll, the
11 member shall be considered, for purposes of this section, to have died as an
12 active member if all other necessary provisions of this section are met.

13 (B) For purposes of computing benefits provided by this
14 section, the deceased member's compensation at the time of death shall be his
15 compensation for the year immediately preceding the cessation of his pay.

16 (2) If an active member with five (5) or more years of credited
17 service does not have credited service for the year immediately preceding
18 death due to illness which eventually leads to his death or due to his
19 employer's removing the member from the payroll because of temporary economic
20 conditions of the employer or weather conditions, the active member shall be
21 considered, only for eligibility purposes of this section, to have credited
22 service for the year preceding death, and benefits shall be paid according to
23 the compensation earned during the year preceding death.

24 ~~_____ (3) If a member died between July 1, 1982, and March 22, 1983, the~~
25 ~~surviving spouse, dependent children, or dependent parents shall be eligible~~
26 ~~for the benefits provided in this section if the member's contributions have~~
27 ~~not been refunded or, if refunded, the contributions and interest are repaid~~
28 ~~to the Arkansas Public Employees' Retirement System, plus six percent (6%)~~
29 ~~compound interest from the date withdrawn to the date repaid.~~

30 ~~_____ (4) The effective date of the benefits provided in this section shall~~
31 ~~in no event be prior to the first day of the calendar month next following the~~
32 ~~date payment is received by the system."~~

33

34 SECTION 21. Arkansas Code § 24-4-723 is amended to read as follows:

35 "24-4-723. Members joining at same time as employer - Current service
36 credit.

1 (a)(1) Any member of the Arkansas Public Employees' Retirement System
2 who became, or becomes, a member on the date his employer became, or becomes,
3 a public employer in the system shall receive current service credit for
4 employment with a public employer in the system but only if the employment
5 occurred during the period from July 1, 1957, to the date the public employer
6 entered the system in the case of state, county, or municipal employees or
7 during the period from October 1, 1957, to October 1, 1965, in the case of
8 nonteaching public school employees, and if the member pays, or causes to be
9 paid, all employee ~~and employer contributions that would have been paid had he~~
10 ~~been a member of the system during that time, together with interest of six~~
11 ~~percent (6%) per annum, compounded annually from the date his last public~~
12 ~~employer entered the system to the date of payment, or from the date the~~
13 ~~service is rendered to the date of payment, whichever is later in time, which~~
14 ~~payment shall be made in a lump sum~~ contributions at the rate and on the
15 compensation that would have been paid had he been a member during that time,
16 all employer contributions based on the employer normal cost from the most
17 recently completed regular annual actuarial valuation and the compensation
18 that would have been paid had he been a member during that time, and regular
19 interest on the employee and employer contributions computed from the date the
20 service was rendered to the date the payment is received by the system.

21 (2) The member shall receive credit for employment with the
22 University of Arkansas system if the employee was not eligible for coverage or
23 did not participate in a retirement plan authorized by the University of
24 Arkansas system and by the laws of the State of Arkansas during that service.

25 (3) The member may pay for all his current service credit or a
26 portion thereof consisting of multiples of one (1) year.

27 (b)(1) Any member of the system who became, or becomes, a member on the
28 date his employer became, or becomes, a public employer in the system and who
29 did not, or does not, qualify for free prior service credit shall receive
30 current service credit for employment with a public employer in the system or
31 with the University of Arkansas system if the employee was not eligible for
32 coverage or did not participate in a retirement plan authorized by the
33 University of Arkansas and by the laws of the State of Arkansas. He shall
34 receive credit only if he has at least five (5) years of current service
35 credit since becoming a member of the system, and he pays, or causes to be
36 paid, all employee ~~and employer contributions at the rate, and on the~~

1 ~~compensation, that would have been paid had he been a member of the system~~
 2 ~~during that time, together with interest at six percent (6%) per annum,~~
 3 ~~compounded annually from the date that his last public employer entered the~~
 4 ~~system to the date of payment, or from the date the service is rendered to the~~
 5 ~~date of payment, whichever is later in time~~ contributions at the rate and on
 6 the compensation that would have been paid had he been a member during that
 7 time, all employer contributions based on the employer normal cost from the
 8 most recently completed regular annual actuarial valuation and the
 9 compensation that would have been paid had he been a member during that time,
 10 and regular interest on the employee and employer contributions computed from
 11 the date the service was rendered to the date the payment is received by the
 12 system.

13 ~~_____ (2) The compensation to be used in computing the payments shall be the~~
 14 ~~compensation on which contributions would have been made had the person been a~~
 15 ~~member of the system during the time for which current service credit is~~
 16 ~~purchased.~~

17 ~~_____ (3)(2) The payment shall be made in a lump sum.~~

18 ~~_____ (4)(3) The member may pay for all his prior and interim current~~
 19 ~~service or a portion thereof consisting of multiples of one (1) year."~~

20

21 SECTION 22. Arkansas Code § 24-4-724 is amended to read as follows:

22 "24-4-724. Members joining after employer - Current service credit.

23 (a)(1) Any member of the Arkansas Public Employees' Retirement System
 24 who became, or becomes, a member after the date that his employer became, or
 25 becomes, a public employer in the system shall receive current service for
 26 employment with a public employer in the system, with the University of
 27 Arkansas system, or with a municipality in the State of Arkansas if the
 28 employee was not eligible for coverage or does not participate in or is not
 29 eligible to receive a benefit from a retirement plan authorized by the
 30 University of Arkansas or a municipality in the State of Arkansas and by the
 31 laws of the State of Arkansas during employment. He shall receive credit only
 32 if he has at least five (5) years of current service credit since becoming a
 33 member of the system and he pays, or causes to be paid, all employee ~~and~~
 34 ~~employer contributions at the rate, and on the compensation, that would have~~
 35 ~~been paid had he been a member of the system during that time, together with~~
 36 ~~interest at six percent (6%) per annum, compounded annually from the date that~~

1 ~~his last public employer entered the system to the date of payment or from the~~
2 ~~date the service is rendered to the date of payment, whichever is later in~~
3 ~~time contributions at the rate and on the compensation that would have been~~
4 ~~paid had he been a member during that time, all employer contributions based~~
5 ~~on the employer normal cost from the most recently completed regular annual~~
6 ~~actuarial valuation and the compensation that would have been paid had he been~~
7 ~~a member during that time, and regular interest on the employee and employer~~
8 ~~contributions computed from the date the service was rendered to the date the~~
9 ~~payment is received by the system.~~

10 (2) As used in this subsection, employment by a municipality in
11 the State of Arkansas shall include the mayor, city attorney, city treasurer,
12 city clerk, clerk-treasurer, municipal judge, municipal court clerk, and any
13 other city employee.

14 (b) The compensation to be used in computing the payments shall be the
15 compensation on which contributions would have been made had the person been a
16 member of the system during the time for which current service credit is
17 purchased.

18 (c) The payment shall be made in a lump sum.

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

21

22 SECTION 23. Arkansas Code § 24-4-742 is amended to read as follows:

23 "24-4-742. Credit for service with public facilities board, rural
24 waterworks facilities board, regional solid waste management board, joint
25 county and municipal sanitation authority, or regional water distribution
26 board.

27 (a) Any full-time employee of a public facilities board, rural
28 waterworks facilities board, regional solid waste management board, joint
29 county and municipal sanitation authority, or regional water distribution
30 board enrolled in the Arkansas Public Employees' Retirement System pursuant to
31 this act who is a full-time employee of a participating public facilities
32 board, regional solid waste management board, joint county and municipal
33 sanitation authority, or regional water distribution board in this state on
34 the date his employer became, or becomes, a public employer in the system may
35 apply for and receive current service credit for service rendered as a
36 full-time employee of the public facilities board, regional solid waste

1 management board, joint county and municipal sanitation authority, or regional
2 water distribution board.

3 (b) The employee shall receive credit only if the employee or employer
4 pays, or causes to be paid, to the Arkansas Public Employees' Retirement
5 System Fund all necessary ~~employer contributions and employee contributions,~~
6 ~~if applicable, that would have been paid had the employee been a member of the~~
7 ~~system during that time, plus interest thereon at the rate directed by the~~
8 ~~Board of Trustees of the Arkansas Public Employees' Retirement System~~
9 employee contributions at the rate and on the compensation that would have
10 been paid had he been a member during that time, all employer contributions
11 based on the employer normal cost from the most recently completed regular
12 annual actuarial valuation and the compensation that would have been paid had
13 he been a member during that time, and regular interest on the employee and
14 employer contributions computed from the date the service was rendered to the
15 date the payment is received by the system.

16 (c) The employer's contributions and employees' contributions, if
17 applicable, shall be transmitted to the system in the form and manner,
18 together with the supporting data, as the board shall prescribe from time to
19 time.

20 (d) The governing body of any public facilities board, rural waterworks
21 facilities board, regional solid waste management board, joint county and
22 municipal sanitation authority, or regional water distribution board electing
23 to include the full-time employees of the board within the membership of the
24 system may pay the employer contributions and employee contributions, if
25 applicable, on behalf of employees for services rendered."
26

27 SECTION 24. 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.
30

31 SECTION 25. 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.
36

1 SECTION 26. Repealer.

2 (a) Subdivision (15) of Arkansas Code § 24-3-102, regarding the
3 definition of "social security primary benefit" used for PERS, is repealed.

4 ~~———— (15)(A)(i) Social security primary benefit means a member's benefit
5 for age or for disability determined and payable under social security and
6 determined as of the date of his separation from named plan-covered
7 employment. Should a member so separate before being eligible for a social
8 security primary benefit with monthly payments commencing immediately, the
9 amount of his social security primary benefit shall be equal to the social
10 security disability benefit he would receive if he were disabled at the time
11 of separation.~~

12 ~~———— (ii) If a member's named plan-covered employment is not covered by
13 social security but is covered by another federal retirement plan, then
14 social security primary benefit means the corresponding benefit payable from
15 the other federal retirement plan.~~

16 ~~———— (B) Benefits received by state police officers who retire after July
17 20, 1987, under the state police retirement system, either contributory or
18 non-contributory, shall not be reduced by social security primary benefits as
19 defined in this subdivision until the retiree reaches sixty-two (62) years of
20 age. For purposes of this subdivision, state police officer means the
21 Director of the Department of Arkansas State Police and all employees of the
22 department who hold the rank of state trooper or higher rank. The term state
23 police officer shall not include any civilian employee of the department, nor
24 shall it include any person who is temporarily employed as a state trooper for
25 an emergency.~~

26 ~~———— (C)(i) Each person about to receive a named plan annuity based
27 partially upon the amount of his social security primary benefit shall furnish
28 to the named plan all pertinent information obtainable by him from the Social
29 Security Administration.~~

30 ~~———— (ii)(a) If the person is eligible for an immediate social security
31 primary benefit, the amount of the benefit shall be obtained.~~

32 ~~———— (b) If the person is not eligible for an immediate benefit and if the
33 amount of an immediate disability benefit is not obtainable from the Social
34 Security Administration, then the amount of the benefit for purposes of this
35 chapter shall be determined by the following process: The latest covered pay
36 history of the person shall be obtained from the Social Security~~

1 ~~Administration; the plan shall extend the covered pay history by adding the~~
2 ~~pay covered by both a named plan and social security from the end of the~~
3 ~~covered pay history to the date of separation; and the plan shall determine~~
4 ~~the social security disability benefit amount using the covered pay history so~~
5 ~~extended and the social security formulas and procedures used in determining a~~
6 ~~social security disability benefit.~~

7 ~~—— (D) When the Social Security Administration's covered pay history to~~
8 ~~date of separation is subsequently available and furnished to the plan, the~~
9 ~~amount of the plan benefit shall be adjusted accordingly if using actual~~
10 ~~covered pay history would increase the plan benefit amount by at least one~~
11 ~~dollar (\$1.00) monthly.~~

12 ~~—— (E)(i) The intention of this chapter is that a member's social security~~
13 ~~primary benefit be based upon his pay also covered by his named plan,~~
14 ~~independent of any other pay which may be also covered by social security.~~

15 ~~—— (ii) If a member about to receive a named plan annuity believes that~~
16 ~~his social security primary benefit is based at least partially upon pay not~~
17 ~~covered by his named plan, he may cause an alternate amount of social security~~
18 ~~primary benefit to be determined for purposes of this chapter, by using the~~
19 ~~following process: The latest covered pay history of the member shall be~~
20 ~~obtained from the Social Security Administration; written evidence~~
21 ~~satisfactory to the plan shall be furnished the plan showing amounts of the~~
22 ~~covered pay history which are not covered by a named plan; and the plan shall~~
23 ~~determine the alternate social security primary benefit using the reduced~~
24 ~~covered pay history, which is covered pay history after excluding pay not~~
25 ~~covered by a named plan, and the social security formulas and procedures used~~
26 ~~in determining a social security primary benefit.~~

27 ~~—— (F) If a person refuses to furnish to the named plan all pertinent~~
28 ~~information obtainable by him from the Social Security Administration, his~~
29 ~~plan benefit shall be suspended by the plan until information is furnished;~~

30 (b) Arkansas Code § 24-4-203, concerning PERS penalties for delinquent
31 payments, is repealed.

32 ~~—— 24-4-203. Arkansas Public Employees' Retirement System Fund - Penalties~~
33 ~~for delinquency.~~

34 ~~—— (a)(1)(A) If any participating public employer fails to remit to the~~
35 ~~system those moneys which are required by law or regulation by the tenth day~~
36 ~~of the month in which the moneys are due, then the system shall impose a~~

1 ~~penalty of six percent (6%) interest on an annual basis on the moneys due.~~

2 ~~—— (B) This interest shall be computed on the actual days of delinquency~~
3 ~~and shall be paid to the system for the purpose of reimbursing the trust fund~~
4 ~~for the money which would have been earned on the moneys had they been paid~~
5 ~~when due.~~

6 ~~—— (C) For purposes of this section, an employer's remittance shall not be~~
7 ~~considered delinquent if received by the system by the tenth day or postmarked~~
8 ~~no later than the ninth day of the month in which the payment is due.~~

9 ~~—— (2) The interest penalty shall be determined by the system on the date~~
10 ~~the delinquent funds are received, and a statement of the interest shall be~~
11 ~~sent to the participating public employer.~~

12 ~~—— (3) If the interest penalty or delinquent moneys are not received by~~
13 ~~the system by the last business day of the month in which the moneys were~~
14 ~~originally due, then the system shall cause the sums of moneys, including~~
15 ~~interest, to be transferred from any moneys due the participating public~~
16 ~~employer from the office of the Treasurer of State or the Department of~~
17 ~~Education as provided in ~~§ 19-5-106(a)(5).~~~~

18 ~~—— (b)(1)(A) If any participating public employer fails to file with the~~
19 ~~system the retirement report by the tenth day of the month in which the report~~
20 ~~is due, then the system shall impose a penalty of one hundred fifty dollars~~
21 ~~(\$150) for each time the report is late.~~

22 ~~—— (B) For purposes of this section, the retirement report will not be~~
23 ~~considered late if received by the system by the tenth day of the month or~~
24 ~~postmarked no later than the ninth day of the month in which the report is~~
25 ~~due.~~

26 ~~—— (2)(A) A statement of the penalty shall be sent to the participating~~
27 ~~employer.~~

28 ~~—— (B) If the penalty is not received by the last business day of the~~
29 ~~month in which the report was due, then the system shall cause the penalty~~
30 ~~amount to be transferred from any moneys due the participating public employer~~
31 ~~from the office of the Treasurer of State or the Department of Education as~~
32 ~~provided in ~~§ 19-5-106(a)(5).~~~~

33 ~~—— (3) The penalty amounts collected shall be deposited to the credit of the~~
34 ~~administrative funds of the system to help defray the cost of the additional~~
35 ~~expenses incurred due to the additional work required to process late reports.~~

36 ~~(c) Arkansas Code ~~§ 24-4-204~~, concerning PERS audits, is repealed.~~

1 ~~24-4-204. Arkansas Public Employees' Retirement System Fund - Officers -~~
2 ~~Audit.~~

3 ~~_____ (a) The Treasurer of State shall serve as treasurer of the system and~~
4 ~~shall be the legal custodian of its funds.~~

5 ~~_____ (b) The Attorney General shall serve as legal advisor to the board.~~

6 ~~_____ (c) It shall be the duty of the officer or official charged with the~~
7 ~~responsibility of auditing state departments and agencies to audit the fiscal~~
8 ~~affairs of the system at least once in each year.~~

9 (d) Arkansas Code § 24-4-305, concerning the restoration of service
10 credit to persons transferred to agencies not covered under PERS, is repealed.

11 ~~24-4-305. Restoration to system of persons transferred to noncovered agencies.~~

12 ~~_____ (a)(1) Any member of the Arkansas Public Employees' Retirement System~~
13 ~~who has not less than fifteen (15) years' prior service and six (6) months'~~
14 ~~current service, as the terms prior service and current service are defined~~
15 ~~in § 24-4-101, and who has transferred his employment from a state agency~~
16 ~~whose employees are covered by the system to a state agency operating out of~~
17 ~~cash funds as distinguished from State Treasury appropriated funds whose~~
18 ~~employees are neither covered by the system nor by any other retirement system~~
19 ~~or plan authorized under the laws of this state, excepting social security,~~
20 ~~may be restored to full and active membership in the system upon application~~
21 ~~to, and approval by, the Board of Trustees of the Arkansas Public Employees'~~
22 ~~Retirement System.~~

23 ~~_____ (2) Thereafter, he shall be subject to all the obligations, and shall~~
24 ~~be entitled to all the benefits, of membership in the system, but only if,~~
25 ~~prior to July 31, 1959, the person shall, in addition to having filed his~~
26 ~~application with the board, have paid over to the board an amount of cash~~
27 ~~equal to the amount he would have contributed had he been covered by the~~
28 ~~system, plus matching funds, plus interest on the contributions and matching~~
29 ~~funds at the rate of six percent (6%) per annum, for the period of time~~
30 ~~employed by the agency and based upon the compensation there received.~~

31 ~~_____ (b)(1) Any state agency whose employees, other than those coming under~~
32 ~~the provisions of this section, are not covered by the system may use any~~
33 ~~funds in its possession or under its control in matching the contributions~~
34 ~~made by any of its employees who are accepted for full and active membership~~
35 ~~under the provisions of this section.~~

36 ~~_____ (2) Should any such agency fail or refuse to match its employees'~~

1 ~~contributions, the employees coming under this section shall have the~~
2 ~~authority to provide the matching funds.~~

3 ~~—— (c) The board shall have the authority to adopt such rules and~~
4 ~~regulations as it shall determine to be necessary and proper for the~~
5 ~~administration of this section.~~

6 (e) Arkansas Code § 24-4-502, concerning prior service as public school
7 teacher under contributory PERS, is repealed.

8 ~~24-4-502. Credit for prior service as public school teacher.~~

9 ~~—— (a) Any member of the system who became a member of the system on the~~
10 ~~date his public employer became a participating public employer and has~~
11 ~~continued as a member of the system until January 1, 1967, or any former~~
12 ~~member who has established twenty (20) or more years of credited service with~~
13 ~~the system, upon application and submission of proper proof to the Board of~~
14 ~~Trustees of the Arkansas Public Employees' Retirement System, may receive~~
15 ~~prior service credit in the system for any service rendered as a teacher in~~
16 ~~the public schools of this state prior to July 1, 1938, subject to the~~
17 ~~following conditions:~~

18 ~~—— (1) He enters into an agreement with the board prior to July 1, 1968,~~
19 ~~to pay four percent (4%) of his compensation received as a teacher during the~~
20 ~~period of service claimed by him and approved by the board, together with~~
21 ~~interest at six percent (6%) per annum, compounded annually from the date his~~
22 ~~last public employer became a participating public employer to the date of~~
23 ~~payment;~~

24 ~~—— (2) He pays or causes to be paid an employer contribution equal to the~~
25 ~~amounts, including interest, as determined in subdivision (1) of this~~
26 ~~subsection; and~~

27 ~~—— (3) Not less than six (6) months' employment as a teacher, prior to~~
28 ~~July 1, 1938, shall constitute one (1) year of prior service credit, but not~~
29 ~~more than one (1) year of service shall be credited any member for all~~
30 ~~teaching service rendered by him in any fiscal school year. Prior service~~
31 ~~shall not be granted for service as a teacher for any year for which the~~
32 ~~member has been granted prior service credit in the system.~~

33 ~~—— (b)(1) Any member applying for prior service credit as provided for in~~
34 ~~this section shall file with the board a record of all such services duly~~
35 ~~authenticated.~~

36 ~~—— (2) Upon approval by the board and payment of the contribution as~~

1 ~~determined in subsection (a) of this section, the Executive Director of the~~
2 ~~Arkansas Public Employees' Retirement System is directed to credit that~~
3 ~~member's account with the accumulated prior service rendered as a teacher in~~
4 ~~the public school system of Arkansas.~~

5 (f) Arkansas Code § 24-4-503, concerning military service credit under
6 the contributory PERS, is repealed.
7 ~~24-4-503. Military service credit generally.~~

8 ~~—— (a) In computing or granting pensions, retirement pay, eligibility~~
9 ~~lists based on length of service, or any other right under a civil service or~~
10 ~~merit system in which length of service is the criterion, time spent by an~~
11 ~~employee, as defined in subsection (b) of this section, in the armed forces of~~
12 ~~the United States from September 16, 1940, until December 31, 1946, shall be~~
13 ~~counted as though the employee had remained continuously in the employment of~~
14 ~~the agency, department, or office.~~

15 ~~—— (b) The provisions of this section shall apply to any employee of any~~
16 ~~agency, department, or office supported in whole or in part with tax funds by~~
17 ~~the State of Arkansas or any county or municipality thereof, whose personnel~~
18 ~~are regulated by civil service or merit system adopted pursuant to an act of~~
19 ~~the General Assembly or to the governing body of any county or municipality,~~
20 ~~with the following restrictions:~~

21 ~~—— (1) The employee must have been employed under the civil service or~~
22 ~~merit system at the time of his separation to enter the armed forces; and~~

23 ~~—— (2) The employee must have entered the armed forces directly after~~
24 ~~leaving the employment of the agency, department, or office and must have~~
25 ~~returned thereto within ninety (90) days after separation from the armed~~
26 ~~service.~~

27 (g) Arkansas Code § 24-4-504, concerning military service credit for
28 county officials serving in 1979 under the contributory PERS, is repealed.
29 ~~24-4-504. Military service credit for elected county constitutional officers.~~

30 ~~—— (a) Any person who was an elected county constitutional officer on~~
31 ~~February 23, 1979, and who served as a member of the armed forces of the~~
32 ~~United States prior to his or her election as an elected county constitutional~~
33 ~~officer shall be entitled to purchase elected county constitutional officer~~
34 ~~credited service in the system, for a period not to exceed two (2) years, for~~
35 ~~service rendered by the member in the armed forces of the United States prior~~
36 ~~to the member's election to county office.~~

1 ~~—— (b) Any member who served as an elected county constitutional officer~~
2 ~~at least six (6) years during the period beginning January 1, 1954, and ending~~
3 ~~December 31, 1961, who has at least twelve (12) years of credited service in~~
4 ~~any capacity in the Arkansas Public Employees' Retirement System in addition~~
5 ~~to the service as an elected county constitutional officer, and who has, prior~~
6 ~~to February 23, 1979, purchased two (2) or more years of military service as~~
7 ~~credited service in the system shall be entitled to convert two (2) years of~~
8 ~~credited service in the system to two (2) years of elected county~~
9 ~~constitutional officer credited service upon filing a written request, on or~~
10 ~~before March 25, 1979, with the system.~~

11 ~~—— (c)(1) Any person eligible to purchase elected county constitutional~~
12 ~~officer credited service for military service as authorized in subsection (a)~~
13 ~~of this section and who desires to purchase the service shall make application~~
14 ~~therefor to the system on or before May 24, 1979.~~

15 ~~—— (2) At the time of making the application, that person shall submit~~
16 ~~with the application satisfactory proof to the Board of Trustees of the~~
17 ~~Arkansas Public Employees' Retirement System of such service, as well as proof~~
18 ~~that the person received an honorable discharge from the armed forces of the~~
19 ~~United States.~~

20 ~~—— (3)(A) That person shall contribute or cause a sum to be contributed in~~
21 ~~his behalf to the Arkansas Public Employees' Retirement System, County~~
22 ~~Constitutional Officers' Subdivision.~~

23 ~~—— (B) This sum shall be equal to the amount he would have contributed~~
24 ~~thereto had he been a member during his term of military service, based upon~~
25 ~~his monthly contribution at the time of making the application, together with~~
26 ~~an equal amount as an employer contribution, and interest thereon at the rate~~
27 ~~of six percent (6%) from January 1, 1977, to the date of payment.~~

28 ~~—— (d) Elected county constitutional officer credited service purchased or~~
29 ~~converted as authorized in this section shall be treated for all purposes~~
30 ~~under the Arkansas Public Employees' Retirement System, County Elected~~
31 ~~Constitutional Officer Subdivision, the same as if it had been earned as an~~
32 ~~elected county constitutional officer.~~

33 (h) Arkansas Code §24-4-505, concerning a valuation for military
34 service credits under the contributory PERS, is repealed.
35 ~~24-4-505. Actuarial valuation of impact of military service credit - Provision~~
36 ~~for unfunded liability deficit.~~

1 ~~—— (a)(1) The Executive Director of the Arkansas Public Employees'~~
2 ~~Retirement System shall cause an actuarial valuation to be made of the~~
3 ~~additional liabilities created by \AA 24-4-504.~~

4 ~~—— (2) In the event the actuary determines that the employee and employer~~
5 ~~contributions are actuarially insufficient to pay the benefits to retired~~
6 ~~elected county constitutional officers as provided by \AA 24-4-504, then the~~
7 ~~director shall establish accounts and records to identify the estimated~~
8 ~~contributions and other income available to actuarially fund the members'~~
9 ~~benefits when they mature, as well as the extent that the county's member~~
10 ~~liabilities will exceed the amount of employee and employer contributions and~~
11 ~~interest thereon.~~

12 ~~—— (b)(1)(A) The director shall then calculate, with the assistance of the~~
13 ~~actuary, the amount of funds required annually to actuarially fund the~~
14 ~~additional unfunded liabilities created by such laws with respect to members~~
15 ~~from the county.~~

16 ~~—— (B) The director shall annually certify to the Chief Fiscal Officer of~~
17 ~~the State the amount required for the year to establish sufficient funds and~~
18 ~~reserves to meet the actuarial requirements of the additional benefits.~~

19 ~~—— (2) The certificate of the Chief Fiscal Officer of the State shall~~
20 ~~reflect the amount of the annual extra payment to be charged against the~~
21 ~~county based on the unfunded liabilities with respect to its officials and~~
22 ~~employee members of the respective divisions.~~

23 ~~—— (3) The Chief Fiscal Officer of the State shall cause the amount so~~
24 ~~certified to be transferred from the County Aid Fund from general revenues~~
25 ~~allocated thereto for turnback to counties, to the Arkansas Public Employees'~~
26 ~~Retirement System Fund for credit to the County Constitutional Officers'~~
27 ~~Subdivision of the Arkansas Public Employees' Retirement System.~~

28 ~~—— (4) From the general revenues allocated thereto for turnback to~~
29 ~~counties, the Chief Fiscal Officer of the State shall deduct from the County~~
30 ~~Aid Fund turnback to be received by the county an amount, as computed pursuant~~
31 ~~to this section, required to pay retirement benefits for its elected county~~
32 ~~constitutional officer members of the Arkansas Public Employees' Retirement~~
33 ~~System.~~

34 ~~—— (5) The moneys to be transferred from the County Aid Fund shall not be~~
35 ~~charged against the total of the county aid funds available for distribution~~
36 ~~to counties. It is the intent of this section that each county pay annually,~~

1 ~~from its county aid general revenues turnback, the amount of money required to~~
2 ~~meet the unfunded liability deficit in behalf of its county employee members~~
3 ~~of the system resulting from the enactment of such law or laws.~~

4 (i) Arkansas Code § 24-4-506, concerning the restoration of service
5 credit to persons withdrawing municipal service after reemployment covered
6 under contributory PERS, is repealed.

7 ~~24-4-506. Restoration of credited service to employee of withdrawing~~
8 ~~municipality upon subsequent covered employment.~~

9 ~~—— (a) Any person who was employed by a municipality and who was covered~~
10 ~~by the Arkansas Public Employees' Retirement System at the time the~~
11 ~~municipality withdrew from the system, whose credited service in the system~~
12 ~~was forfeited and whose accumulated contributions to the system were refunded~~
13 ~~to the person or municipality and who subsequently becomes employed by a~~
14 ~~participating public employer and again becomes a member of the system, upon~~
15 ~~meeting the requirements prescribed in subsections (b) and (c) of this~~
16 ~~section, shall be entitled to have the credited service restored to his or her~~
17 ~~account.~~

18 ~~—— (b)(1) Any qualified person who desires to have his or her credited~~
19 ~~service restored as authorized by this section shall make application therefor~~
20 ~~in writing to the system office on or before April 18, 1981.~~

21 ~~—— (2)(A) Upon receipt of an application, the system office shall~~
22 ~~determine the total employee contributions made by the person to the system~~
23 ~~for the forfeited credited service and the total employer contributions made~~
24 ~~to the system in behalf of the person for the forfeited credited service.~~

25 ~~—— (B) The office shall add to each amount interest at the rate of six~~
26 ~~percent (6%) per annum, compounded annually, from the date the employee and~~
27 ~~employer contributions were withdrawn to the first day of the month following~~
28 ~~the receipt of the application.~~

29 ~~—— (C) It shall notify the applicant and the former public employer~~
30 ~~municipality of the amount of the employee contributions with interest and~~
31 ~~employer contributions with interest.~~

32 ~~—— (c)(1) If the employee contributions with interest and the employer~~
33 ~~contributions with interest are remitted to the system office by or on behalf~~
34 ~~of the applicant within thirty (30) days after the receipt of the notice by~~
35 ~~the applicant, the forfeited credited service of the applicant shall be~~
36 ~~restored to the account of the applicant.~~

1 ~~_____ (2) The discretion as to whether to remit any contributions which have~~
2 ~~been refunded to the former public employer municipality shall reside with the~~
3 ~~municipality. The provisions of this section shall not be construed to mandate~~
4 ~~the municipality to remit the contributions with interest to the system~~
5 ~~office.~~

6 (j) Arkansas Code § 24-4-509, concerning mandatory retirement
7 provisions for PERS, is repealed.

8 ~~24-4-509. Eligibility for benefits - Mandatory retirement.~~

9 ~~_____ (a)(1) A member, except an elected official of a public employer, shall~~
10 ~~be separated from the employment of his public employer the first day of the~~
11 ~~calendar month next following the month in which he attains age seventy (70)~~
12 ~~years.~~

13 ~~_____ (2)(A) However, any employee may be permitted to continue in the employ~~
14 ~~of his public employer beyond his attainment of age seventy (70) years upon~~
15 ~~the written authorization of his department head filed with the Board of the~~
16 ~~Trustees of the Arkansas Public Employees' Retirement System.~~

17 ~~_____ (B) That authorization shall be for periods no longer than one (1) year~~
18 ~~with the right of the department head to thereafter renew authorizations on a~~
19 ~~year-to-year basis.~~

20 ~~_____ (b) If, upon his separation from the employ of his public employer, the~~
21 ~~member has ten (10) or more years of credited service, he shall receive an~~
22 ~~annuity provided for in § 24-4-601.~~

23 (k) Arkansas Code § 24-4-515, concerning lost service credit due to
24 physical injury under the PERS, is repealed.

25 ~~24-4-515. Credit for lost credited service due to physical injury or disabling~~
26 ~~disease.~~

27 ~~_____ Any member of the Arkansas Public Employees' Retirement System who~~
28 ~~suffers from or who has suffered in the past from a physical injury or~~
29 ~~disabling disease for which the employee was deemed disabled for social~~
30 ~~security purposes and for which the employee was forced to take time off from~~
31 ~~work in a leave-without-pay status, and whose accumulation of credited service~~
32 ~~in the system would otherwise be reduced due to the lost time at work, shall~~
33 ~~be entitled to obtain equivalent credited service for the actual time period~~
34 ~~of leave without pay for the lost service credit by paying to the system the~~
35 ~~amount of money both he and the employer would have contributed had his time~~
36 ~~in service not been reduced, plus interest at the rate of six percent (6%) per~~

1 ~~annum, compounded, calculated from the date the contributions would have been~~
2 ~~made until the date payment is made to the system.~~

3 (1) Arkansas Code ~~§~~ 24-4-604, concerning a PERS prior service annuity,
4 is repealed.

5 ~~24-4-604. Payment of prior service annuity purchased by member.~~

6 ~~—— In the event a member has made voluntary additional contributions to the~~
7 ~~Arkansas Public Employees' Retirement System in order to obtain an additional~~
8 ~~prior service annuity, as provided for in Acts 1957, No. 177, § 11A(b)~~
9 ~~[repealed], he shall be paid, within six (6) months following his written~~
10 ~~application filed with the Board of Trustees of the Arkansas Public Employees'~~
11 ~~Retirement System, such amounts paid by the member, plus interest on those~~
12 ~~amounts, as provided by law.~~

13 (m) Arkansas Code ~~§~~ 24-4-701, concerning PERS service as a member of
14 the General Assembly and as county official before 1959, is repealed.

15 ~~24-4-701. Members of General Assembly — Ten years' service before 1957 and six~~
16 ~~years' service as county official before 1959.~~

17 ~~—— (a)(1) Any person who may have served not less than ten (10) years in~~
18 ~~the Senate or House of Representatives of the General Assembly and at least~~
19 ~~six (6) years as an elected county official at any time prior to January 1,~~
20 ~~1959, and who has not served in the General Assembly since January 1, 1957,~~
21 ~~may be enrolled upon the payment of the contribution provided in this section~~
22 ~~to the Board of Trustees of the Arkansas Public Employees' Retirement System~~
23 ~~on or before July 1, 1969, as a member of the system.~~

24 ~~—— (2) Upon reaching the age of sixty-five (65) years, that person shall~~
25 ~~be eligible to receive an annuity in the amount authorized for members of the~~
26 ~~General Assembly under the provisions of §§ 24-4-101 — 24-4-105, 24-4-201 —~~
27 ~~24-4-205, 24-4-207 — 24-4-209, 24-4-301 — 24-4-304, 24-4-401, 24-4-402,~~
28 ~~24-4-507 — 24-4-513, 24-4-601 — 24-4-603, 24-4-605, 24-4-606, but only if the~~
29 ~~person is not, at the time of retirement, employed by a public employer in~~
30 ~~this state and is not otherwise drawing retirement benefits under §§ 24-4-101~~
31 ~~— 24-4-105, 24-4-201 — 24-4-205, 24-4-207 — 24-4-209, 24-4-301 — 24-4-304,~~
32 ~~24-4-401, 24-4-402, 24-4-507 — 24-4-513, 24-4-601 — 24-4-603, 24-4-605,~~
33 ~~24-4-606, or the Judges' Retirement Act, § 24-8-201 et seq.~~

34 ~~—— (b)(1) The contributions to be paid to the board shall be computed on~~
35 ~~the basis of four percent (4%) of the current annual salary rate being paid~~
36 ~~members of the General Assembly, i.e., one thousand two hundred dollars~~

1 ~~(\$1,200) per annum, for each year of legislative service of any former member~~
2 ~~of the General Assembly.~~

3 ~~—— (2) In addition, the member shall pay to the board four percent (4%)~~
4 ~~interest on each year's contribution computed annually from the year of~~
5 ~~service to the date on which the contribution is paid to the board.~~

6 ~~—— (c) The Treasurer of State is authorized and directed to transfer to~~
7 ~~the Arkansas Public Employees' Retirement System Fund from the Constitutional~~
8 ~~Officers Fund and the State Central Services Fund such amounts of money, based~~
9 ~~on an actuarial determination, in addition to the employer contributions~~
10 ~~otherwise provided, as the board shall certify to be required to finance, in a~~
11 ~~manner which will prevent deterioration of the financial solvency of the~~
12 ~~system, benefits to General Assembly members and to retirants and~~
13 ~~beneficiaries of the General Assembly.~~

14 (n) Arkansas Code § 24-4-702, concerning PERS service as member of the
15 General Assembly before 1957, is repealed.

16 ~~24-4-702. Members of General Assembly - Ten years' service before 1957 - No~~
17 ~~prior qualification.~~

18 ~~—— (a)(1) Any person who may have served not less than ten (10) years in~~
19 ~~the Senate or House of Representatives of the General Assembly at any time~~
20 ~~prior to January 1, 1957, and who has not served in the General Assembly since~~
21 ~~January 1, 1957, and who has not previously qualified as a member of the~~
22 ~~Arkansas Public Employees' Retirement System as a former member of the General~~
23 ~~Assembly, as authorized in § 24-4-701, may be enrolled upon the payment of the~~
24 ~~contribution provided in this section to the Board of Trustees of the Arkansas~~
25 ~~Public Employees' Retirement System on or before June 30, 1974, as a member of~~
26 ~~the system.~~

27 ~~—— (2) Upon reaching age sixty (60) years, the person may be eligible to~~
28 ~~receive an annuity in the amount authorized for members of the General~~
29 ~~Assembly under the provisions of §§ 24-4-101 - 24-4-105, 24-4-201 - 24-4-205,~~
30 ~~24-4-207 - 24-4-209, 24-4-301 - 24-4-304, 24-4-401, 24-4-402, 24-4-507 -~~
31 ~~24-4-513, 24-4-601 - 24-4-603, 24-4-605, 24-4-606, but only if the person is~~
32 ~~not, at the time of retirement, employed by a public employer in this state~~
33 ~~and is not otherwise drawing retirement benefits under §§ 24-4-101 - 24-4-105,~~
34 ~~24-4-201 - 24-4-205, 24-4-207 - 24-4-209, 24-4-301 - 24-4-304, 24-4-401,~~
35 ~~24-4-402, 24-4-507 - 24-4-513, 24-4-601 - 24-4-603, 24-4-605, 24-4-606, or the~~
36 ~~Judges' Retirement Act, § 24-8-201 et seq.~~

1 ~~—— (b)(1) The contribution to be paid to the Board of Trustees of the~~
2 ~~Arkansas Public Employees' Retirement System, General Assembly Section, shall~~
3 ~~be computed on the basis of three percent (3%) of the current annual salary~~
4 ~~rate being paid members of the General Assembly, i.e., one thousand two~~
5 ~~hundred dollars (\$1,200) per annum, for each year of legislative service of~~
6 ~~any such former member of the General Assembly.~~

7 ~~—— (2) In addition, the member shall pay to the board four percent (4%)~~
8 ~~interest on each year's contribution computed annually from the year of~~
9 ~~service to the date on which the contribution is paid to the board.~~

10 (o) Arkansas Code § 24-4-703, concerning PERS service as member of the
11 General Assembly for 14 years before 1957, is repealed.

12 ~~24-4-703. Members of General Assembly - Fourteen years' service before 1957.~~

13 ~~—— (a)(1) Any person who may have served not less than fourteen (14) years~~
14 ~~in the Senate or House of Representatives of the General Assembly at any time~~
15 ~~prior to January 1, 1957, and who has not served in the General Assembly since~~
16 ~~January 1, 1957, may be enrolled upon the payment of the contributions~~
17 ~~provided in this section to the Board of Trustees of the Arkansas Public~~
18 ~~Employees' Retirement System on or before January 1, 1964, as a member of the~~
19 ~~Arkansas Public Employees' Retirement System.~~

20 ~~—— (2) Upon reaching the age of sixty-five (65) years, that person, shall~~
21 ~~be eligible to receive an annuity in an amount authorized for members of the~~
22 ~~General Assembly under the provisions of §§ 24-4-101 - 24-4-105, 24-4-201 -~~
23 ~~24-4-205, 24-4-207 - 24-4-209, 24-4-301 - 24-4-304, 24-4-401, 24-4-402,~~
24 ~~24-4-507 - 24-4-513, 24-4-601 - 24-4-603, 24-4-605, 24-4-606, but only if the~~
25 ~~person is not, at the time of retirement, employed by a public employer in~~
26 ~~this state and is not otherwise receiving retirement benefits under~~
27 ~~§§ 24-4-101 - 24-4-105, 24-4-201 - 24-4-205, 24-4-207 - 24-4-209, 24-4-301 -~~
28 ~~24-4-304, 24-4-401, 24-4-402, 24-4-507 - 24-4-513, 24-4-601 - 24-4-603,~~
29 ~~24-4-605, 24-4-606, or the Judges' Retirement Act, § 24-8-201 et seq.~~

30 ~~—— (b)(1) The contributions to be paid to the board shall be computed on~~
31 ~~the basis of three percent (3%) of the current annual salary rate being paid~~
32 ~~members of the General Assembly, i.e., one thousand two hundred dollars~~
33 ~~(\$1,200) per annum, for each year of legislative service of any such former~~
34 ~~member of the General Assembly.~~

35 ~~—— (2) In addition, the member shall pay to the board four percent (4%)~~
36 ~~interest on each year's contribution computed annually from the year of~~

1 ~~service to the date on which the contribution is paid to the board.~~

2 (p) Arkansas Code § 24-4-708, concerning PERS service as member of the
3 House of Representatives for 4 terms, is repealed.

4 ~~24-4-708. Members of House of Representatives - Four terms of service plus
5 portion of another term.~~

6 ~~—— (a) Any person who has served four (4) full two-year terms as a member
7 of the House of Representatives and a portion of another term in the House of
8 Representatives by virtue of being elected to fill a vacancy may retire upon
9 reaching seventy-five (75) years of age under the provisions of the Arkansas
10 Public Employees' Retirement System and shall be entitled to receive an
11 annuity in the amount prescribed in § 24-4-706.~~

12 ~~—— (b) Any person desiring to retire and draw benefits under the
13 provisions of this section, prior to the drawing of the benefits, must have
14 paid into the system employee's contributions on the salary of the person in
15 the applicable percentages in effect at the time of the service claimed under
16 the system.~~

17 ~~—— (c)(1) Any person desiring to retire under the provisions of this
18 section shall file a written application therefor with the Board of Trustees
19 of the Arkansas Public Employees' Retirement System setting forth the date on
20 which he wishes to retire and draw his annuity under the system.~~

21 ~~—— (2) The date of retirement shall be not less than thirty (30) days nor
22 more than ninety (90) days subsequent to the execution and filing of the
23 application.~~

24 (q) Arkansas Code § 24-4-709, concerning PERS service as member of the
25 House of Representatives for 6 terms before 1957, is repealed.

26 ~~24-4-709. Members of House of Representatives - Six terms of service before
27 1957.~~

28 ~~—— (a) Any person who has served six (6) two-year terms as a member of the
29 House of Representatives prior to July 1, 1957, may retire under the
30 provisions of the Arkansas Public Employees' Retirement System and shall be
31 entitled to receive an annuity in the amount prescribed in § 24-4-706.~~

32 ~~—— (b)(1)(A) Any person desiring to retire under the provisions of this
33 section shall file a written application with the Board of Trustees of the
34 Arkansas Public Employees' Retirement System.~~

35 ~~—— (B) The application shall set forth the date on which a person wishes
36 to retire and draw his annuity under the system, which date shall be not less~~

1 ~~than thirty (30) days nor more than ninety (90) days subsequent to the~~
2 ~~execution and filing of the application.~~

3 ~~—— (2) The person shall pay into the system an amount equal to the~~
4 ~~employer contribution of four percent (4%) of the member's salary and the~~
5 ~~employee's contribution of four percent (4%) of the member's salary, plus~~
6 ~~interest at the rate of four percent (4%) from July 1, 1957, to the date of~~
7 ~~payment.~~

8 (r) Arkansas Code § 24-4-711, concerning a survivor's annuity for
9 General Assembly and constitutional officers dying in office, is repealed.
10 ~~24-4-711. Survivor benefits for spouses of General Assembly members and state~~
11 ~~constitutional officers dying in office.~~

12 ~~—— (a)(1) If any member of the General Assembly who has served in the~~
13 ~~House of Representatives or the Senate for at least ten (10) years, or an~~
14 ~~elected state constitutional officer who has served as an elected state~~
15 ~~constitutional officer for at least ten (10) years, dies while serving a term~~
16 ~~in the General Assembly, or while serving a term as an elected state~~
17 ~~constitutional officer, and while a member of the Arkansas Public Employees'~~
18 ~~Retirement System, or dies while drawing benefits under the system, or after~~
19 ~~having established a deferred annuity under the system, and leaves a surviving~~
20 ~~spouse, the surviving spouse of the member shall be entitled to receive an~~
21 ~~annuity equal to the amount of the full annuity which the member was receiving~~
22 ~~or would have been entitled to receive had he been of retirement age.~~

23 ~~—— (2) The spouse shall begin to receive the survivor benefits provided in~~
24 ~~this section upon reaching the age at which the member would have been~~
25 ~~eligible to receive benefits under the system with the years of service he had~~
26 ~~under the system.~~

27 ~~—— (3) The benefits shall cease immediately upon the death or remarriage~~
28 ~~of the surviving spouse.~~

29 ~~—— (b) Any person elected to and serving as a member of the House of~~
30 ~~Representatives or the Senate of the General Assembly who dies before~~
31 ~~completing the term for which elected shall continue to accrue service credit~~
32 ~~for retirement eligibility and for determining eligibility of the spouse of~~
33 ~~the member for survivor benefits until a person is elected and qualified to~~
34 ~~fill the position vacated by the death of the member.~~

35 ~~—— (c)(1) The provisions of this section shall not be construed to require~~
36 ~~or authorize retroactive payments or a retroactive increase in payments to any~~

1 ~~survivor of a deceased member of the General Assembly.~~

2 ~~—— (2)(A) Notwithstanding the provisions of subdivision (c)(1) of this~~
3 ~~section or any other provision to the contrary, the reinstatement of benefits~~
4 ~~under the provisions of this section shall apply retroactively to all~~
5 ~~surviving spouses of a deceased member of the General Assembly whose~~
6 ~~subsequent spouse died after December 31, 1989.~~

7 ~~—— (B) Reinstatement of benefits shall begin on the first day of the month~~
8 ~~following the month in which the death of the subsequent spouse occurred.~~

9 ~~—— (d) In the case of a member of the General Assembly who died prior to~~
10 ~~February 12, 1971, and who otherwise met the requirements of this section, the~~
11 ~~surviving spouse of the deceased member shall be entitled to the survivor's~~
12 ~~annuity provided in this section from and after February 12, 1971. However,~~
13 ~~if the surviving spouse has withdrawn from the system the contributions of the~~
14 ~~deceased member, the surviving spouse must, as a condition of receiving the~~
15 ~~annuity provided for in this section, repay to the system the amount so~~
16 ~~withdrawn from the system, together with regular interest thereon for the~~
17 ~~period from the date withdrawn to the date it is repaid to the system.~~

18 ~~—— (e)(1) In the case of a surviving spouse of a deceased member who had~~
19 ~~benefits terminated due to remarriage under the provisions of this section,~~
20 ~~the surviving spouse of the member shall be entitled to a reinstatement of~~
21 ~~benefits upon the death of any subsequent spouse.~~

22 ~~—— (2) The benefits shall cease immediately upon the death or remarriage~~
23 ~~of the surviving spouse.~~

24 ~~(s) Arkansas Code § 24-4-713, concerning service as secretary to the~~
25 ~~Lieutenant Governor, is repealed.~~

26 ~~24-4-713. Secretary to Lieutenant Governor.~~

27 ~~—— (a) Any person who has served as secretary to the Lieutenant Governor~~
28 ~~for fifteen (15) years or more and who has fifteen (15) years or more of~~
29 ~~credited service in the system shall be entitled to retire at age sixty-five~~
30 ~~(65) years and to receive an annuity from the Arkansas Public Employees'~~
31 ~~Retirement System as provided in Acts 1971, No. 103, § 5(A), (B), and (C), as~~
32 ~~amended.~~

33 ~~—— (b)(1) If the employee and employer contributions made by and in behalf~~
34 ~~of any person retiring under the provisions of this section are not sufficient~~
35 ~~to pay the retirement benefits of the person, the Board of Trustees of the~~
36 ~~Arkansas Public Employees' Retirement System shall annually certify to the~~

1 ~~Chief Fiscal Officer of the State the amount sufficient to pay the deficit.~~

2 ~~—— (2) The Chief Fiscal Officer of the State shall cause the amount so~~
3 ~~certified to be transferred from the Constitutional Officers Fund and the~~
4 ~~State Central Services Fund or any successor fund, fund account, or account to~~
5 ~~the Arkansas Public Employees' Retirement System Fund.~~

6 (t) Arkansas Code § 24-4-715, concerning elected constitutional
7 officers' service before 1971, is repealed.

8 ~~24-4-715. Elected county constitutional officers — Service before 1971 —~~
9 ~~Actuarial valuation.~~

10 ~~—— (a)(1) Any member or a retired member who has served as an elected~~
11 ~~county constitutional officer for a period of at least fourteen (14) years~~
12 ~~prior to January 1, 1971, and who has eleven (11) years of additional credited~~
13 ~~service within the Arkansas Public Employees' Retirement System, thereby~~
14 ~~having a combined total of at least twenty-five (25) years of credited service~~
15 ~~prior to January 1, 1971, in the system shall be entitled, upon reaching the~~
16 ~~age of sixty-nine (69) years, to receive an annuity for the remainder of his~~
17 ~~life equal to his constitutional salary for the last year he served as an~~
18 ~~elected county constitutional officer.~~

19 ~~—— (2)(A)(i) The Executive Director of the Arkansas Public Employees'~~
20 ~~Retirement System shall cause an actuarial valuation to be made of the~~
21 ~~additional liabilities created by this section.~~

22 ~~—— (ii) In the event the actuary determines that the employee and employer~~
23 ~~contributions are actuarially insufficient to pay the benefits to retired~~
24 ~~elected county constitutional officers as provided by this subsection (a), the~~
25 ~~director shall establish accounts and records to identify the estimated~~
26 ~~contributions and other income available to actuarially fund the members'~~
27 ~~benefits when they mature, as well as the extent that each county's member~~
28 ~~liabilities will exceed the amount of employee and employer contributions and~~
29 ~~interest thereon.~~

30 ~~—— (B) The director shall then calculate, with the assistance of the~~
31 ~~actuary, the amount of funds required annually to actuarially fund the~~
32 ~~additional unfunded liabilities created by the laws with respect to members~~
33 ~~from each county. He shall annually certify to the Chief Fiscal Officer of the~~
34 ~~State the amount required for the year to establish sufficient funds and~~
35 ~~reserves to meet the actuarial requirements of the additional benefits.~~

36 ~~—— (C) The certificate of the Chief Fiscal Officer of the State shall~~

1 ~~reflect the amount of the annual extra payment to be charged against each~~
2 ~~county, based on the unfunded liabilities with respect to its officials and~~
3 ~~employee members of the respective divisions.~~

4 ~~—— (D) The Chief Fiscal Officer of the State shall cause the amount so~~
5 ~~certified to be transferred from the County Aid Fund, from general revenues~~
6 ~~allocated thereto for turnback to counties, to the Arkansas Public Employees'~~
7 ~~Retirement System Fund for credit to the County Constitutional Officers'~~
8 ~~Subdivision of the Arkansas Public Employees' Retirement System.~~

9 ~~—— (E) From the general revenues allocated thereto for turnback to~~
10 ~~counties, the Chief Fiscal Officer of the State shall deduct from the County~~
11 ~~Aid Fund turnback to be received by each county, an amount, as computed~~
12 ~~pursuant to this system, required to pay retirement benefits for its elected~~
13 ~~county constitutional officer members of the system.~~

14 ~~—— (F) The moneys to be transferred from the County Aid Fund shall not be~~
15 ~~charged against the total of the county aid funds available for distribution~~
16 ~~to counties, it being the intent of this subdivision (a)(2) of this section~~
17 ~~that each county pay annually, from its county aid general revenues turnback,~~
18 ~~the amount of money required to meet the unfunded liability deficit in behalf~~
19 ~~of its county employee members of the system resulting from the enactment of~~
20 ~~the laws.~~

21 ~~—— (b) Any person who ceased serving as an elected county official in this~~
22 ~~state during 1986 and who had served in that capacity since 1965, and who had~~
23 ~~opted not to be covered by the system from January 1, 1965, through December~~
24 ~~31, 1971, shall be entitled to obtain credited service with the system for~~
25 ~~those eight (8) years, plus the time not exceeding three (3) years he served~~
26 ~~on active duty with the United States armed forces, by paying to the system,~~
27 ~~prior to December 31, 1987, the amount of money both he and his employer would~~
28 ~~have contributed on his behalf plus interest at the rate of six percent (6%)~~
29 ~~per annum calculated from the date the contributions would have been made~~
30 ~~until the date he makes payment to the system.~~

31 ~~(u) Arkansas Code § 24-4-716, concerning federal limitations on county~~
32 ~~officials, is repealed.~~

33 ~~24-4-716. Federal limitations on benefits of employed former county~~
34 ~~constitutional officers.~~

35 ~~—— It shall be lawful for any person receiving retirement benefits under~~
36 ~~the county elected constitutional officers' retirement law, Acts 1973, No.~~

1 ~~581, § 1 [repealed], to receive compensation from employment in any county~~
2 ~~office, but the retirement benefits shall be subject to the limitations~~
3 ~~imposed by the federal Social Security Act retirement test, as authorized for~~
4 ~~other members of the Arkansas Public Employees' Retirement System under~~
5 ~~§ 24-4-602.~~

6 (v) Arkansas Code § 24-4-717, concerning elected county clerks, is
7 repealed.

8 ~~24-4-717. Elected county clerks.~~

9 ~~—— (a) In the event a member of the Arkansas Public Employees' Retirement~~
10 ~~System has attained age forty-six (46) years, has standing to his credit at~~
11 ~~least sixteen (16) years of credited service as an elected county clerk,~~
12 ~~leaves the employ of a county prior to his attainment of age fifty (50) years~~
13 ~~for any reason except retirement or death, and does not withdraw his~~
14 ~~accumulated contributions from the members' deposit account, he shall be~~
15 ~~entitled to an annuity provided for in § 24-4-601.~~

16 ~~—— (b) His annuity shall begin the first day of the calendar month next~~
17 ~~following the month in which his application for the annuity is filed with the~~
18 ~~Board of Trustees of the Arkansas Public Employees' Retirement System on or~~
19 ~~after his attainment of age sixty-five (65) years.~~

20 (w) Arkansas Code § 24-4-718, concerning PERS service for General
21 Assembly employees, is repealed.

22 ~~24-4-718. General Assembly employees — Prior service credit.~~

23 ~~—— (a) Any member of the Arkansas Public Employees' Retirement System who~~
24 ~~became a member of the system on July 1, 1957, and who was an active member on~~
25 ~~July 1, 1964, and who was a member of the system on June 10, 1965, may apply~~
26 ~~to the Board of Trustees of the Arkansas Public Employees' Retirement System~~
27 ~~and receive prior service credits in the system for any service rendered the~~
28 ~~General Assembly prior to July 1, 1957, subject to one (1) of the following~~
29 ~~conditions:~~

30 ~~—— (1) The member shall have at least eight (8) years of continuous~~
31 ~~service with a public employer, as defined in § 24-4-101, subsequent to July~~
32 ~~1, 1957, and during such service was a member of the system; or~~

33 ~~—— (2) The member shall have at least eight (8) years of continuous~~
34 ~~service with a public employer, as defined in § 24-4-101, subsequent to July~~
35 ~~1, 1957, interrupted only during periods of a legislative session wherein the~~
36 ~~member was employed by the General Assembly and returned to the employ of the~~

1 ~~State of Arkansas immediately upon completion of the hold over committee work~~
2 ~~and during such service was a member of the system.~~

3 ~~—— (b) Any member applying for prior service credit as provided in~~
4 ~~subsection (a) of this section shall file with the board a complete transcript~~
5 ~~of all services duly certified by the Secretary of State.~~

6 ~~—— (c) Upon approval by the board, the Executive Director of the Arkansas~~
7 ~~Public Employees' Retirement System is authorized to credit the member's prior~~
8 ~~service account with the accumulated service rendered to either or both houses~~
9 ~~of the General Assembly during such dates as are specified in subsection (a)~~
10 ~~of this section.~~

11 (x) Arkansas Code § 24-4-719, concerning certain employees of the House
12 of Representatives, is repealed.

13 ~~24-4-719. Certain employees of House of Representatives — Prior service~~
14 ~~credit.~~

15 ~~—— Any member of the Arkansas Public Employees' Retirement System on July~~
16 ~~1, 1984, who on that date has served as Coordinator of Legislative Services,~~
17 ~~Administrative Assistant to the Speaker of the House of Representatives, and~~
18 ~~Parliamentarian of the House of Representatives for at least four (4) years~~
19 ~~and who prior to becoming a full-time employee of the House of Representatives~~
20 ~~was employed by the Administrative Office of the Courts and served as a~~
21 ~~temporary employee of the House of Representatives for a cumulative period of~~
22 ~~at least five (5) months shall be entitled to receive prior service credits in~~
23 ~~the system for all previous temporary employment with the House of~~
24 ~~Representatives, subject to the following conditions:~~

25 ~~—— (1) The employee shall make application to the Board of Trustees of the~~
26 ~~Arkansas Public Employees' Retirement System for the credit for the service~~
27 ~~and shall submit proof of the service for which credit is applied; and~~

28 ~~—— (2) The employee shall pay or cause to be paid to the board all~~
29 ~~employee and employer contributions which would have been paid to the system~~
30 ~~if he had been a member of the system during the periods of employment, plus~~
31 ~~interest thereon at the rate of six percent (6%) per annum from the date the~~
32 ~~funds would have been paid if the employee had been a member of the system~~
33 ~~during periods of employment to the date on which the contributions are~~
34 ~~actually paid pursuant to the provisions of this section.~~

35 (y) Arkansas Code § 24-4-720, concerning employees of state boards and
36 commissions, is repealed.

1 ~~24-4-720. Employees of state boards, commissions, etc. - Prior service credit.~~
2 ~~----- Any member of the Arkansas Public Employees' Retirement System who was,~~
3 ~~or is, an employee of a state board, commission, department, agency,~~
4 ~~institution, or office whose funds were initially appropriated by the 1971 or~~
5 ~~subsequent General Assembly shall receive prior service credit for employment~~
6 ~~prior to July 1, 1957, with the board, commission, department, agency,~~
7 ~~institution, or office, or a public employer, as defined by [§] 24-4-101, if the~~
8 ~~member was so employed on July 1, 1957, and was, and is, so employed on the~~
9 ~~date his state board, commission, department, agency, institution, or office~~
10 ~~became or becomes a public employer in the system.~~

11 (z) Arkansas Code [§] 24-4-721, concerning superintendents of state
12 institutions, is repealed.

13 ~~24-4-721. Superintendents of state eleemosynary institutions - Prior service~~
14 ~~credit.~~

15 ~~----- (a) Any member of the Arkansas Public Employees' Retirement System~~
16 ~~occupying a position as the superintendent of a state eleemosynary~~
17 ~~institution, who became a member of the retirement system subsequent to July~~
18 ~~1, 1957, and who was employed continuously in the same position to June 13,~~
19 ~~1963, upon application and submission of proper proof to the Board of Trustees~~
20 ~~of the Arkansas Public Employees' Retirement System, as authorized by~~
21 ~~^{§§} 24-4-101 - 24-4-105, 24-4-201 - 24-4-205, 24-4-207 - 24-4-209, 24-4-301 -~~
22 ~~24-4-304, 24-4-401, 24-4-402, 24-4-507 - 24-4-513, 24-4-601 - 24-4-603,~~
23 ~~24-4-605, 24-4-606 may receive prior service credit for any service rendered~~
24 ~~to the State of Arkansas prior to July 1, 1957, as prior service is defined in~~
25 ~~[§] 24-4-101.~~

26 ~~----- (b) The member must file with the board a certificate from the board of~~
27 ~~trustees of the eleemosynary institution stating that one of the conditions of~~
28 ~~the member's accepting reemployment was that the member would receive credit~~
29 ~~for the prior service in the system.~~

30 (aa) Arkansas Code [§] 24-4-722, concerning prior service credit for
31 employees of the Department of Health, is repealed.

32 ~~24-4-722. Certain employees of Department of Health - Prior service credit.~~

33 ~~----- (a) It is the intent of this section to correct an inequity which~~
34 ~~resulted when certain public health employees, who were formerly municipal~~
35 ~~employees and participants in a local retirement plan, were unable to transfer~~
36 ~~their retirement credit earned during that period to the Arkansas Public~~

1 ~~Employees' Retirement System after becoming state employees when their~~
2 ~~positions were placed under the Department of Health by Acts 1975, No. 918 or~~
3 ~~AA 20-59-101 and 20-59-102.~~

4 ~~_____ (b) Any employee of the Department of Health who is in a position~~
5 ~~previously paid with city funds may establish service credit in the system for~~
6 ~~the period that he was a municipal employee, subject to the following~~
7 ~~conditions:~~

8 ~~_____ (1) The employee is a member of the system and is not currently~~
9 ~~receiving or eligible to receive any benefit from a municipal or other~~
10 ~~publicly supported retirement plan: An employee who is vested in a retirement~~
11 ~~plan based upon the prior service may establish service credit in the system~~
12 ~~if he petitions his former employer for a refund of contributions paid and the~~
13 ~~forfeiture of all rights to receive future benefits under the previous plan is~~
14 ~~certified by both the employee and his former employer;~~

15 ~~_____ (2) The prior period of service sought to be covered is limited to the~~
16 ~~time served by the employee in a position which was transferred to the~~
17 ~~Arkansas Department of Health by Acts 1975, No. 918 or AA 20-59-101 and~~
18 ~~20-59-102, and must be certified by the former employer;~~

19 ~~_____ (3) The employee pays, or causes to be paid, to the system all employee~~
20 ~~and employer contributions that would have been paid had he been a member of~~
21 ~~the system at that time, together with six percent (6%) simple interest on the~~
22 ~~amounts owed for each fiscal year from the date of his first service as a~~
23 ~~public health employee until paid to the system; and~~

24 ~~_____ (4) The employee makes his election to establish his prior service~~
25 ~~credit, files the required certification of service, and pays all moneys due~~
26 ~~the system on or before June 30, 1984.~~

27 ~~(bb) Arkansas Code § 24-4-725, concerning PERS service for drainage~~
28 ~~improvement districts, is repealed.~~

29 ~~24-4-725. Drainage improvement district employees.~~

30 ~~_____ (a) When the board of commissioners of any drainage improvement~~
31 ~~district established under the laws of this state certifies to the board of~~
32 ~~trustees of the retirement system that more than one-half (1/2) of the~~
33 ~~full-time employees of the drainage district have, by petition or election,~~
34 ~~expressed a desire to participate in the Arkansas Public Employees' Retirement~~
35 ~~System and that the board of commissioners has approved the participation,~~
36 ~~then the board of trustees of the retirement system shall include within the~~

1 membership of the County Division of the Arkansas Public Employees' Retirement
2 System all full-time employees of the drainage improvement district.

3 ~~———— (b) Every drainage improvement district electing to participate in the
4 system as authorized in this section shall, as participating public employers,
5 pay into the Arkansas Public Employees' Retirement System Fund such sums of
6 money as are necessary to match the contributions of its full-time employees
7 in the same manner and form, and shall be subject to all provisions of
8 ~~AA 24-4-101 – 24-4-105, 24-4-201 – 24-4-205, 24-4-207 – 24-4-209, 24-4-301 –
9 24-4-304, 24-4-401, 24-4-402, 24-4-507 – 24-4-513, 24-4-601 – 24-4-603,
10 24-4-605, 24-4-606, and to all acts amendatory or supplemental thereto, to the
11 same extent as other participating public employers.~~~~

12 ~~———— (c)(1) Any drainage improvement district desiring to participate in the
13 system as authorized in this section shall so certify to the board of trustees
14 of the retirement system on or before July 1, 1977.~~

15 ~~———— (2) The effective date of membership of all full-time employees of
16 drainage improvement districts electing to participate in the system pursuant
17 to this section shall be July 1, 1977.~~

18 ~~———— (3) When a majority of the full-time employees of any drainage
19 improvement district vote for participating in the system, all full-time
20 employees of the drainage district shall become members of the system as a
21 condition of continuing or obtaining employment with the district.~~

22 ~~———— (4) All drainage improvement district employees enrolling in the system
23 pursuant to the provisions of this section shall be entitled to all the
24 rights, privileges, and benefits and shall be subject to all the limitations,
25 restrictions, and requirements prescribed in ~~AA 24-4-101 – 24-4-105, 24-4-201
26 – 24-4-205, 24-4-207 – 24-4-209, 24-4-301 – 24-4-304, 24-4-401, 24-4-402,
27 24-4-507 – 24-4-513, 24-4-601 – 24-4-603, 24-4-605, 24-4-606, and all acts
28 amendatory or supplemental thereto, for other participating public employees.~~~~

29 ~~———— (d) All drainage improvement district employees enrolling in the system
30 pursuant to the provisions of this section shall be given credit for service
31 rendered prior to July 1, 1957, as full-time employees of the drainage
32 improvement district if the employees were so employed on July 1, 1957, and on
33 July 1, 1977.~~

34 ~~———— (e)(1) Any full-time employee of a drainage improvement district
35 enrolled in the system pursuant to this section, who is a full-time employee
36 of a participating drainage improvement district in this state on July 1,~~

1 ~~1977, may apply for and receive current service credit for service rendered as~~
2 ~~a full-time employee of the participating drainage improvement district from~~
3 ~~July 1, 1957, to July 1, 1977. The employee shall receive credit only if the~~
4 ~~employee pays, or causes to be paid, to the Arkansas Public Employees'~~
5 ~~Retirement System Fund all necessary employee and employer contributions that~~
6 ~~would have been paid had the employee been a member of the system during that~~
7 ~~time, plus interest thereon at the rate of six percent (6%) per annum.~~

8 ~~_____ (2) The board of commissioners of any drainage district electing to~~
9 ~~include the full-time employees of the district within the membership of the~~
10 ~~system may pay the employer contribution in behalf of employees for services~~
11 ~~rendered after July 1, 1957, and prior to July 1, 1977.~~

12 (cc) Arkansas Code § 24-4-728, concerning PERS service for private
13 waterworks, is repealed.

14 ~~24-4-728. Private waterworks systems employees.~~

15 ~~_____ (a) If any person employed by a privately owned waterworks system~~
16 ~~continues as an employee of the waterworks system after the system is acquired~~
17 ~~and operated as a municipal system and the acquiring municipality is a~~
18 ~~participating public employer or thereafter becomes a participating public~~
19 ~~employer under §§ 24-4-101 - 24-4-105, 24-4-201 - 24-4-205, 24-4-207 -~~
20 ~~24-4-209, 24-4-301 - 24-4-304, 24-4-401, 24-4-402, 24-4-507 - 24-4-513,~~
21 ~~24-4-601 - 24-4-603, 24-4-605, 24-4-606, as amended, while the person is so~~
22 ~~employed, the person shall be entitled to receive prior service credit in the~~
23 ~~Municipal Division of the Arkansas Public Employees' Retirement System for the~~
24 ~~years of authenticated service by the person as an employee of the waterworks~~
25 ~~system, or while his employment was interrupted due to service in the armed~~
26 ~~forces as provided in § 24-4-507, during the time the system was privately~~
27 ~~owned and operated, upon request therefor and compliance with the provisions~~
28 ~~of this section. §~~

29 ~~_____ (b) A person desiring to receive prior service credit for the period of~~
30 ~~time the person was employed by a privately owned waterworks system must pay~~
31 ~~to the retirement system all necessary employer and employee contributions~~
32 ~~that would have been paid had the employee been a member of the retirement~~
33 ~~system during that time, together with interest thereon at the rate of three~~
34 ~~percent (3%) per annum, which interest shall run from the date the particular~~
35 ~~employer involved began to participate in the retirement system.~~

36 ~~_____ (c) If the person was in the armed forces at the time that the~~

1 ~~privately owned waterworks system was acquired by a municipality and had,~~
2 ~~immediately prior to entering the armed forces, been an employee of the~~
3 ~~waterworks, he shall receive prior service credit for the period of service in~~
4 ~~the armed forces without paying a contribution for the period.~~

5 ~~—— (d) For purposes of this section, an employee's rate of compensation~~
6 ~~during the period of his service in the armed forces shall be deemed to be his~~
7 ~~rate of compensation at the time he left his employer's service to enter the~~
8 ~~armed forces.~~

9 (dd) Arkansas Code § 24-4-730, concerning Real Estate Commission
10 employees, is repealed.

11 ~~24-4-730. Arkansas Real Estate Commission employees.~~

12 ~~—— (a) The Board of Trustees of the Arkansas Public Employees' Retirement~~
13 ~~System is directed to include within the membership of the Arkansas Public~~
14 ~~Employees' Retirement System, as created by §§ 24-4-101 – 24-4-105, 24-4-201 –~~
15 ~~24-4-205, 24-4-207 – 24-4-209, 24-4-301 – 24-4-304, 24-4-401, 24-4-402,~~
16 ~~24-4-507 – 24-4-513, 24-4-601 – 24-4-603, 24-4-605, 24-4-606, all employees of~~
17 ~~the Arkansas Real Estate Commission, or its successor, who are not members of,~~
18 ~~or eligible for membership in, some other state-supported retirement system~~
19 ~~other than social security.~~

20 ~~—— (b)(1) All employees enrolled in the system shall be subject to the~~
21 ~~rights, privileges, and limitations prescribed in §§ 24-4-101 – 24-4-105,~~
22 ~~24-4-201 – 24-4-205, 24-4-207 – 24-4-209, 24-4-301 – 24-4-304, 24-4-401,~~
23 ~~24-4-402, 24-4-507 – 24-4-513, 24-4-601 – 24-4-603, 24-4-605, 24-4-606, and~~
24 ~~every employee shall become a member of the system as a condition of~~
25 ~~continuing or obtaining employment with the commission, or its successor.~~

26 ~~—— (2) It is the specific intent of this section that all employees of the~~
27 ~~commission who were employed by the commission on July 1, 1969, whether~~
28 ~~presently employed or not, shall be eligible for membership in the system.~~

29 ~~—— (c) Any employee included within the membership of the system pursuant~~
30 ~~to this section shall be given credit for service rendered prior to July 1,~~
31 ~~1957, as an employee of a public employer, as defined in 24-4-101, or as an~~
32 ~~employee of the commission, or its successor, if the employee was so employed~~
33 ~~on July 1, 1957, and on July 1, 1969.~~

34 ~~—— (d)(1)(A) Any employee included within the membership of the system by~~
35 ~~this section who is an employee of the commission, or its successor, on July~~
36 ~~1, 1969, may apply for and receive current service credit for service rendered~~

1 ~~the commission, or its successor, from July 1, 1957, to July 1, 1969.~~

2 ~~—— (B) The employee shall receive credit only if the employee pays, or~~
3 ~~causes to be paid, to the Arkansas Public Employees' Retirement System Fund~~
4 ~~all necessary contributions, at the rates of four percent (4%) for the~~
5 ~~employee and four percent (4%) for the employer from July 1, 1957, to July 1,~~
6 ~~1967, four percent (4%) for the employee on salary earned and five percent~~
7 ~~(5%) for the employer from July 1, 1967, to July 1, 1969, and five percent~~
8 ~~(5%) for the employee and seven percent (7%) for the employer from July 1,~~
9 ~~1969, to July 1, 1970, that would have been paid had the employee been a~~
10 ~~member of the system during that time.~~

11 ~~—— (2) Interest at the rate of four percent (4%) per annum compounded~~
12 ~~annually from July 1, 1957, shall be paid on all employee and employer~~
13 ~~contributions, which shall be paid in full on or before July 1, 1971.~~

14 ~~—— (c) The commission, or its successor, shall pay into the fund such sums~~
15 ~~of money as are necessary to match the contributions of its employees in the~~
16 ~~same form and manner as other public employers, and shall be subject to all~~
17 ~~the provisions of §§ 24-4-101 - 24-4-105, 24-4-201 - 24-4-205, 24-4-207 -~~
18 ~~24-4-209, 24-4-301 - 24-4-304, 24-4-401, 24-4-402, 24-4-507 - 24-4-513,~~
19 ~~24-4-601 - 24-4-603, 24-4-605, 24-4-606, as amended, to the same extent as~~
20 ~~other public employers.~~

21 ~~—— (f)(1) The payments received by the system under subsection (c) of this~~
22 ~~section shall be credited to the applicable employers' accumulation account.~~

23 ~~—— (2) The employee payments shall be credited to the member's individual~~
24 ~~account in the members' deposit account.~~

25 ~~(ee) Arkansas Code § 24-4-731, concerning PERS service for law clerks,~~
26 ~~is repealed.~~

27 ~~24-4-731. Law clerks.~~

28 ~~—— (a) The law clerk provided for in § 16-13-217 shall, for the purposes~~
29 ~~of any retirement act or system, be treated in the same manner and to the same~~
30 ~~effect as circuit court reporters.~~

31 ~~—— (b) For the purposes of any retirement act or system, the law clerk~~
32 ~~provided for in § 16-13-1407 shall be treated in the same manner and to the~~
33 ~~same effect as chancery court reporters.~~

34 ~~(ff) Arkansas Code § 24-4-734, concerning PERS service for elected~~
35 ~~county officials after 1987, is repealed.~~

36 ~~24-4-734. Elected county constitutional officers retiring after July 1, 1987.~~

1 ~~_____ (a) For purposes of this section, elected county constitutional~~
2 ~~officer means the county judge, circuit clerk, county clerk, assessor,~~
3 ~~treasurer, collector, sheriff, or sheriff-collector of the respective counties~~
4 ~~of this state.~~

5 ~~_____ (b) Any member or former member who retires on or after July 1, 1987,~~
6 ~~and who has credit in the Arkansas Public Employees' Retirement System for not~~
7 ~~less than ten (10) actual years of service, of which at least eight (8) years~~
8 ~~are as an elected county constitutional officer shall receive under the County~~
9 ~~Constitutional Officers' Subdivision a straight life annuity of not less than~~
10 ~~three thousand seven hundred fifty dollars (\$3,750), payable in equal monthly~~
11 ~~installments.~~

12 ~~_____ (c)(1) His annuity shall begin the first day of the calendar month next~~
13 ~~after his attainment of fifty-five (55) years of age upon his written~~
14 ~~application.~~

15 ~~_____ (2) The application shall be filed with the Board of Trustees of the~~
16 ~~Arkansas Public Employees' Retirement System and shall set forth at what time,~~
17 ~~not less than thirty (30) days nor more than ninety (90) days subsequent to~~
18 ~~the execution and filing thereof, he desires to be retired.~~

19 (gg) Arkansas Code § 24-4-735, concerning the clerks of the House and
20 Senate, is repealed.

21 ~~24-4-735. Secretaries, clerks of Senate and House of Representatives - Prior~~
22 ~~service credit.~~

23 ~~_____ (a) Any member of the Arkansas Public Employees' Retirement System on~~
24 ~~July 1, 1987, who on that date has served as Secretary of the Senate,~~
25 ~~Assistant Secretary of the Senate, Chief Clerk of the House of~~
26 ~~Representatives, or Assistant Chief Clerk of the House of Representatives for~~
27 ~~not less than ten (10) regular sessions of the General Assembly and who served~~
28 ~~not less than two (2) elected terms as a member of the General Assembly shall~~
29 ~~be entitled to receive credited service in the system for all previous~~
30 ~~temporary employment with the House of Representatives and the Senate and as~~
31 ~~an elected member of either house of the General Assembly, provided that:~~

32 ~~_____ (1) The employee makes application to the Board of Directors of the~~
33 ~~Arkansas Public Employees' Retirement System for the service and submits proof~~
34 ~~of the service for which credit is applied; and~~

35 ~~_____ (2)(A) The employee pays, or causes to be paid, to the system all~~
36 ~~employee and employer contributions which would have been paid to the system~~

1 ~~if he or she had been a member of the system during those periods of~~
2 ~~employment, plus interest on the contributions at the rate of six percent (6%)~~
3 ~~per annum compounded annually from the date the funds would have been paid if~~
4 ~~the employee had been a member of the system during those periods of~~
5 ~~employment, to the date on which the contributions are actually paid pursuant~~
6 ~~to the provisions of this section.~~

7 ~~—— (B) Interest shall not be charged for service rendered prior to July 1,~~
8 ~~1957.~~

9 ~~—— (b) Any member of the system who is eligible to receive credited~~
10 ~~service in the system under the provisions of this section may receive~~
11 ~~credited service in the system as follows:~~

12 ~~—— (1) Credited service for any prior service as an elected member of the~~
13 ~~House of Representatives or Senate in the same manner as now provided by law~~
14 ~~for credited service in the system by members of the General Assembly;~~

15 ~~—— (2) Credited service for authenticated service in the armed forces of~~
16 ~~the United States, as authorized by law;~~

17 ~~—— (3)(A) Credited service for service as Assistant Chief Clerk of the~~
18 ~~House of Representatives, Chief Clerk of the House of Representatives,~~
19 ~~Assistant Secretary of the Senate, or Secretary of the Senate for each regular~~
20 ~~session of the General Assembly in which that service was rendered.~~

21 ~~—— (B) The amount of credited service shall be the actual amount of time~~
22 ~~worked for each regular session at which the service was rendered, which will~~
23 ~~include pre-session and holdover session work, as certified by the Secretary of~~
24 ~~the Senate and acceptable to the board;~~

25 ~~—— (4) Credited service for each special session of the General Assembly at~~
26 ~~which the member served as Assistant Chief Clerk of the House of~~
27 ~~Representatives, Chief Clerk of the House of Representatives, Assistant~~
28 ~~Secretary of the Senate, or Secretary of the Senate at the rate of the actual~~
29 ~~amount of time worked, which will include pre-session and holdover session~~
30 ~~work, for each special session of the General Assembly that was held more than~~
31 ~~thirty (30) days subsequent to the adjournment of the regular session of the~~
32 ~~General Assembly or which was held more than thirty (30) days subsequent to an~~
33 ~~extended recess of the General Assembly as certified by the Secretary of the~~
34 ~~Senate and acceptable to the board; and~~

35 ~~—— (5) Credited service for authenticated service rendered as a full-time~~
36 ~~employee of a state agency whose employees are eligible for membership in the~~

1 ~~system.~~

2 ~~—— (c) In the event records are not available for authentication of~~
3 ~~compensation received during any period of service for which a member is~~
4 ~~eligible to receive credited service under the provisions of this section, the~~
5 ~~authenticated rate of pay received during the first period of service~~
6 ~~subsequent to the period for which records are not available shall be used for~~
7 ~~computing the employer and employee contributions to be made to the system for~~
8 ~~credited service received previously.~~

9 (hh) Arkansas Code § 24-4-736, concerning certain members of the House
10 of Representatives prior to 1957, is repealed.

11 ~~24-4-736. Certain members of House of Representatives — Two terms of service~~
12 ~~prior to July 1, 1957.~~

13 ~~—— (a)(1) Any person who served six (6) years as a prosecuting attorney~~
14 ~~between January 1, 1953, and December 31, 1958, but who was not included as a~~
15 ~~member of the Arkansas Public Employees' Retirement System while serving, and~~
16 ~~who served two (2) years as a member of the House of Representatives prior to~~
17 ~~July 1, 1957, and two (2) years as a municipal judge subsequent to July 1,~~
18 ~~1957, may receive credit in the system for all prior service and current~~
19 ~~service upon payment of the employee and employer contributions not previously~~
20 ~~paid on the compensation he received for all covered service occurring after~~
21 ~~June 30, 1957, at the rate in effect at the time the service was rendered,~~
22 ~~together with interest at six percent (6%) per annum, compounded annually from~~
23 ~~the date his last public employer entered the system to the date of payment.~~

24 ~~—— (2) He will be eligible for an annuity as provided by the named plan in~~
25 ~~which he was a member at the time of his last termination of employment if his~~
26 ~~total credited service is ten (10) actual years and if he files his~~
27 ~~application for an annuity in the manner provided in the named plan.~~

28 ~~—— (b) This section shall be retroactive to June 30, 1957.~~

29 (ii) Arkansas Code § 24-4-738, concerning a mayor's annuity under PERS,
30 is repealed.

31 ~~24-4-738. Annuity for mayor.~~

32 ~~—— (a) In the event a member of the Municipal Division of the Arkansas~~
33 ~~Public Employees' Retirement System has attained age sixty (60) years, has~~
34 ~~standing to his credit at least thirty (30) years of credited service in the~~
35 ~~system, and is a mayor at the time of his attainment of age sixty (60) years,~~
36 ~~he shall be entitled to an annuity provided for in § 24-4-601.~~

1 ~~_____ (b) His annuity shall begin the first day of the calendar month next~~
2 ~~following the month in which his application for the annuity is filed with the~~
3 ~~Board of Trustees of the Arkansas Public Employees' Retirement System on or~~
4 ~~after his attainment of age sixty (60) years.~~

5 (jj) All other laws and parts of laws in conflict with this act are
6 hereby repealed.

7

8 SECTION 27. For the purpose of determining benefits under the Public
9 Employees Retirement System, a member of the system who has service as an
10 elected county official for a period during which the office was under the fee
11 system, the salary of the member during that period shall be deemed to be the
12 average salary for county officials in the same office in this state on the
13 effective date of this act.

14

15 SECTION 28. Emergency. It is hereby found and determined by the
16 Eighty-First General Assembly of the State of Arkansas that certain provisions
17 of law governing the Public Employees' Retirement System need clarification,
18 standardization, and repeal and that the effective administration of State
19 government makes it necessary for these changes to begin at the start of the
20 State's fiscal year. Therefore, in order to promote sound fiscal
21 administration of State government, an emergency is hereby declared to exist,
22 and this act being necessary for the immediate preservation of the public
23 peace, health, and safety, shall become effective July 1, 1997.

24

25 /s/Hopkins

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